



# ***Daily Report***

## **East Asia**

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# Daily Report

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### **APEC Charts Specific Directions for Growth of SME's**

*BK1503113696 Manila PNA in English  
0043 GMT 15 Mar 96*

[Received via Internet]

[FBIS Transcribed Text] Manila, March 13 (PNA) — The entrepreneurs and the economic leaders of the 18-member economies of the Asia-Pacific Economic Cooperation (APEC) are charting specific directions toward the growth of the small and medium enterprises (SMEs).

During the opening of the three-day workshop for the creation of the APEC Center for Technology Exchange and Training for SMEs (ACTETSME), the private and government sectors outlined four-pronged programs expected to boost the capabilities of the SMEs to propel competitiveness with their counterparts in the region.

These programs which are in line with the objectives of the ACTETSME are:

- Syndicating as well as integrating the various inputs or factors needed to deal with SME development issues and concerns;
- Outlining comprehensive package of capabilities and services needed by SMEs to further business growth;
- A "link-to-one-link-to-all" mechanism for sourcing options for decision-making in business and exploring possibilities for market expansion; and,
- "Information storing" and creation of warehouse of information services needed by networks in the region.

The establishment of the ACTETSME, which was incorporated in the Blake Island Declaration, was adopted by the 18 leaders of the APEC during the 1993 Summit in Seattle. The ACTETSME building will be inaugurated this September in Los Banos, Laguna.

According to Ambassador Antonio Basilio, chairman of the APEC national organizing committee, "the SMEs provide a critical engine of growth, vitality and innovation in Asia-Pacific, thus, it is imperative to promote the growth of a strong, globally-competitive SME sector to secure sustainable economic growth in the region."

SMEs account for more than 90 percent of the number of enterprises in the Asia-Pacific and make up about 35 percent of the region's export.

In his speech, Foreign Affairs Undersecretary Federico Macaranas noted several problems and concerns of the SME sector that need immediate action.

These are easy access to credit and marketing information, raw material sourcing, information on joint ventures, technology transfer and information on business opportunities and prospects in each member country.

Macaranas said "SMEs play a major role in all APEC economies... but unfortunately, they face constraints in the form of a limited access to financial, technological, and human resources as well as potential partners and markets."

Macaranas cited, for instance, the case of the Philippines where SMEs comprise over 90 percent of the manufacturing sector yet contribute only 17 percent of the value added in manufacturing.

"We are convinced that globalism is inevitable and that the world is moving toward borderless markets and interdependent economies, thus, the ACTETSME is the step in the right direction," the foreign affairs official said.

APEC members want to compile a directory which might cover the information on SME-related establishments, rules and regulation, assistance policies and measures.

Also included in the suggestion is the strengthening, experiencing, sharing and consultation among SME financial institutions within the APEC region by holding an APEC SME finance seminar or establishing an SME finance networking mechanism.

Moreover, APEC member-economies want to establish a regional research and development (R&D) organization within the APEC region to conduct research and analysis on the practices of other economies or markets so that the access to information can be enhanced and foreign business opportunities can be created.



**Japan****Japan: Trade Negotiator Says Tokyo Ready for Chip Talks With U.S.**

OW1503094896 Tokyo KYODO in English  
0932 GMT 15 Mar 96

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Japan's top trade negotiator said Friday [15 March] the government is ready to hold formal talks with the United States on a 10-year-old bilateral semiconductor agreement which the U.S. wants extended beyond the July 31 expiration date.

"I think we must have talks when the U.S. raises this question formally," Yoshihiro Sakamoto, vice trade minister for international affairs, said in a speech at the Foreign Correspondents Club of Japan.

Sakamoto said Japan may "listen to what the U.S. would like to say" about the accord when, for instance, trade ministers from Japan, the U.S., Canada and the European Union meet for a quadrilateral ministerial meeting in Kobe next month.

But Sakamoto stressed that Japan will not change its position that the agreement should be allowed to expire in July.

Washington is calling for renewing the microchip accord, which it regards as one of the most successful trade pacts with Japan.

Tokyo, however, argues that no renewal is necessary since the accord has served its purpose, with foreign chips now making up more than 20 percent of the Japanese market, a goal envisaged in the pact.

Foreign market share came to 27 percent in the July-September quarter of 1995, compared with around 9 percent in 1986, when the accord was concluded, Japan's trade ministry says.

Given the improved market share and close relationships between U.S. semiconductor suppliers and Japanese users, Sakamoto said, "we no longer need any such arrangement (as the pact) in any form."

On Eastman Kodak Co.'s complaint about the Japanese photographic film and paper market, another sore point in Japan-U.S. economic relations, Sakamoto repeated the ministry's position that Japan will not hold governmental talks with the U.S. on the issue.

The U.S. film maker contends that Fuji Photo Film Co., which controls some 70 percent of the Japanese market, is unfairly blocking the access of Kodak products to Japanese consumers through its anti-competitive control of primary distributors.

Noting that all Kodak's allegations pertain to the implementation of the Japanese Anti-monopoly Law, Sakamoto said the matter should be handled through the due process of law, and urged the company to file a case with the Japanese Fair Trade Commission (JFTC).

We have waited for Kodak to approach the JFTC, but they haven't," Sakamoto said.

The office of the U.S. Trade Representative is undertaking a section 301 investigation into Kodak's complaint about the Japanese film market.

Sakamoto criticized this type of U.S. approach as a "bluff or threat" to other countries which is incompatible with the rules of the World Trade Organization.

Meanwhile, Sakamoto said Japan's Fair Trade Commission is now investigating, under its own initiative, trade practices in the Japanese film market, which it suspects to be oligopolistic.

He said the commission is a quasi-judicial organization comparable to a court of first resort and its judgment would not be distorted by political or social pressure.

**Japan: Usui Notes Need To Issue Statement on Sobe Lease**

OW1503141696 Naha RYUKYU SHIMPO  
in Japanese 15 Mar 96 Evening Edition p 1

[FBIS Translated Text] Tokyo — The lease on a portion of the land on the U.S. forces' Sobe Communication Site will expire at the end of March. This will inevitably spell the "illegal occupation" of the Sobe. Referring to this at a news conference held after the cabinet meeting on 15 March, Defense Agency Director General Hideo Usui said, "We will observe the situation after the court reaches a judgment (on the proxy-signing suit), and the government will certainly issue a statement if necessary." With this, the director general indicated the need to issue a government statement to continue the use and the maintenance of the land after the lease expires.

Regarding the report that discussion has focused on a plan to relocate the live-fire artillery exercise across Prefectural Highway 104 to the Higashifuji Exercise Field in an effort to find a solution by April, Usui said: "I have neither been informed of this nor can confirm right now whether the report is true or not." He then added, Japan and the United States have been discussing this matter to reach a conclusion as early as the middle of this year.

Touching on a 16 March meeting with the Okinawa Prefectural Government on the base issue, he said: "We will explain about the developments of the discussion



held at the Japan-U.S. Special Action Committee on Okinawa. The prefectural government will put forward its proposals in preparation for the April Japan-U.S. summit." However, as for the question of realignment and reduction of military bases, Usui said: "Unfortunately, we have not yet been ready to disclose each proposal in detail."

#### **Japan: Government Seeks Relocation of Live-Fire Training Ground**

OW1503132896 Tokyo MAINICHI SHIMBUN  
in Japanese 15 Mar 96 Morning Edition p 1

[FBIS Translated Text] Regarding relocation, reduction, and consolidation of U.S. military bases on Okinawa, the government firmed up a plan on 14 March to relocate the training ground for "live-fire exercises over the Prefectural Highway 104," which is a pending issue between Japan and the United States, to the Ground Self-Defense Force's [SDF] Higashifuji training ground. This decision will be officially informed to the U.S. side at a Japan-U.S. Special Action Committee (SACO) meeting, which is scheduled to be held this month. The government plans to call on Gotemba City and other municipalities for their understanding on the condition that "the number of days of the SDF and U.S. military conduct training will be reduced." If approval is obtained from the municipalities, concrete progress in dealing with Okinawa's U.S. military base issue, which is attracting attention in the wake of an incident in which a schoolgirl was raped last fall, will be made for the first time.

The U.S. Marine Corps [USMC] in Okinawa holds live-fire exercises at Camp Hansen, where Highway 104 is located, for three or four days at a time. Such exercises are held about 10 times a year so that the total number of training days exceeds 30 days. Traffic on the highway, which runs from the east coast to the west of the main island of Okinawa, is blockaded during the training. People, who live near the highway, have been calling for a suspension of live-fire exercises, saying that their lives were threatened.

In preparation for the relocation of the training ground to mainland Japan, in the fiscal 1996 draft budget the government earmarked expenditures needed for conducting investigations at five locations, including Higashifuji, Yausubetsu (in Hokkaido), and Hijyudai (in Oita Prefecture). The government is also studying the possibility of holding live-fire exercises at several of the SDF's training grounds in mainland Japan in turn. Now that President Clinton's April visit to Japan is near at hand, the government decided that it should arrive at a decision immediately.

The training ground in Higashifuji is located at the border between Gotemba City, Susono City, and Oyama-cho and its size is about 8,800 hectares. It is the biggest training ground in Honshu so that enough space needed for live-fire exercises can be secured. Moreover, there is no need to construct new facilities for the USMC because USMC "Camp Fuji" is located near there. Of the five locations, Higashifuji is the only training ground where a USMC facility is located in its vicinity. Currently, 200 days of live-fire training are held at Higashifuji. According to the Defense Facilities Administration Agency, U.S. military conducted 8,500 live-fire artillery shots over a period of 52 days. Gotemba City is not expressing its direct opposition to the proposal. It is saying: "We cannot say anything even if the number of U.S. military training activities is increased as long as they are within the scope of the agreement signed between the central government and the municipalities." However, Shizuoka Prefecture and landowners are opposed to the relocation plan.

#### **Japan: PRC, Taiwan Tensions May Affect Base Reductions**

OW1503003196 Tokyo YOMIURI SHIMBUN  
in Japanese 14 Mar 96 Morning Edition p 2

[FBIS Translated Text] The missile drills the PRC has been conducting in waters near Taiwan since 8 March are causing difficulties for the government in its handling of the U.S. base reorganization and reductions on Okinawa. As a result of rising tension near Japan, the argument that "U.S. bases are needed for Japan's own security" is swiftly picking up momentum.

On 16 March, the central and Okinawan Governments will hold the second meeting of the "committee on U.S. base problems on Okinawa." In reference to this, on 14 March a high-ranking government official said: "I think the drills in the Taiwan Strait are throwing cold water on the easing of tension in the Far East, and will harden the U.S. Defense Department's attitude. If the PRC takes more military actions, (base reorganization and reductions) may not go easily." In this way, the official indicated that tensions in the Taiwan Strait could cause problems for base reductions.

During a 13 March news conference, Chief Cabinet Secretary Seiroku Kajiyama said: "(The PRC's military drills) are a threat to the elections and politics under democracy." He expressed concerns over the possibility of the PRC intensifying the drills.

Regarding the U.S. bases on Okinawa, the "Special Action Committee on Okinawa issues" (SACO) — a committee formed by the Japanese and U.S. Governments — is conducting discussion to produce "certain results"



before President Bill Clinton's Japan visit in mid-April. However, the opinion gap is still large between the government, which places the highest priority on the maintenance of the Japan-U.S. security framework, and Okinawa, which is demanding visible reductions of the U.S. bases.

In response to the government official's comments, a Defense Agency source said: "It will provide a good platform to stress the importance of the U.S. Forces in cases of crisis." On the other hand, a Foreign Ministry source pointed out: "The drills could emphasize the danger Okinawa could face in emergency situations due to the heavy military presence on the Island and could eventually invite strong reaction from Okinawa." In this context, it is likely that the government will face more problems in handling the Okinawa problem.

#### **Japan's Hashimoto: Bases Issue Not Linked to PRC-Taiwan Tensions**

*OW1503042696 Naha OKINAWA TIMES in Japanese 15 Mar 96 Morning Edition p 1*

[FBIS Translated Text] Commenting on the afternoon of 14 March on the concern about tensions between China and Taiwan affecting the U.S. military bases issue, Prime Minister Ryutaro Hashimoto said: "Needless to say, both Japan and the United States are seriously distressed (about PRC-Taiwan relations). However, these issues must not be confused. If the PRC-Taiwan issue drowns out Okinawa's voice, it will be a serious problem. We also hope that the United States will exercise self-control."

This indicates his emphasis on the fact that the reorganization, consolidation, and reduction of U.S. military bases on Okinawa should be dealt with without linking them directly to increasing tensions in PRC-Taiwan relations. Hashimoto made the above remarks in response to questions from reporters at the national Diet.

#### **Japan: Joint Committee Agrees on Partial Return of Camp Schwab**

*OW1503045796 Naha OKINAWA TIMES in Japanese 15 Mar 96 Morning Edition p 2*

[FBIS Translated Text] Tokyo — The 14 March meeting of the Japan-U.S. Joint Committee agreed on three Okinawa-related issues, including the partial return of Camp Schwab (in Nago City).

The Okinawa government has been demanding that part of Camp Schwab, a total of 150,000 square meters or 0.7 percent of the total area, be returned to enable it to make effective use of prefecture-owned forest land.

The committee also confirmed that a new fence, measuring 215 meters, required by the previous partial return of Camp Kuwae (in Chatan town) has been provided. It was also confirmed that two additional buildings at the Naha Military Port, totalling 1,120 square meters, have been erected as substitute facilities for the complete return of the Naha Service Center to make way for the building of the prefectural martial arts hall.

#### **Japan: Okinawa Team, Top Officials Discuss U.S. Bases Issues**

*OW1403124096 Naha RYUKYU SHIMPO in Japanese 14 Mar 96 Morning Edition p 1*

[FBIS Translated Text] Tokyo — The Okinawa Prefectural Assembly's petition group on U.S. military bases-related issues (10 members, led by assembly speaker Chiken Kakazu) met Hideo Usui, director general of the Defense Agency [DA], and Saburo Okabe, director general of the Okinawa Development Agency, on 13 March to petition them on the consolidation and reduction of U.S. bases, and the revision of the Status of Forces Agreement [SOFA]. They asked the national government to make further efforts to resolve the base issues before the visit of U.S. President Bill Clinton to Japan in April.

With regard to the dispersion and relocation of live-fire exercises across Prefectural Highway 104 to several sites on the Japanese mainland, Masuo Morodomi, director general of the Defense Facilities Administration Agency, said: "We will do our best to reach a conclusion by August." He stated that coordination with the governments of the relocation sites are being accelerated. He also replied that the possibility of moving bases to the Japanese mainland is being studied at the SACO [Special Action Committee on Okinawa].

DA Director General Usui admitted the national government has not done enough, so far, to solve problems relating to the U.S. bases. He then said: "We will actively propose improvements at the SACO," indicating his willingness to map out a basic direction for the reduction of bases before the Japan-U.S. summit meeting in April.

Deputy Chief Cabinet Secretary Furukawa, on the other hand, indicated that the Japanese and U.S. Governments are nearing agreement on concrete steps for improvements in issues pertaining to SOFA, such as the conclusion of noise prevention agreements and requiring U.S. military vehicles to carry license plates.

Regarding the consolidation and reduction of bases, Masaki Orita, director general of the Foreign Ministry's North American Affairs Bureau, commented on the



controversial issue of complete return of the Futenma air station. He said: "This is a very difficult problem, but we are negotiating with the U.S. side. We hope to come up with a basic position by April." He stressed the government's intention to discuss the issue with the United States from all angles.

After wrapping up their petition activities, the Okinawan delegation held a news conference at Okinawa's Tokyo office on the evening of 13 March. Head of the delegation Kakazu said at the press meeting: "Although specific issues, except for the live-fire exercises across Highway 104, were not mentioned, from what the national government has done so far, we feel that it has engaged in in-depth discussions with the U.S. side. We hope they can come up with a certain vision by April."

#### **Japan: Hashimoto Sends Letters Praising Clinton, Mubarak on Summit**

OW1503133696 Tokyo KYODO in English  
1308 GMT 15 Mar 96

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Prime Minister Ryutaro Hashimoto on Friday [15 March] applauded U.S. President Bill Clinton and Egyptian President Hosni Mubarak for their leading roles in bringing an emergency summit on antiterrorism measures and the Middle East process to a successful conclusion.

In letters sent out to the two leaders, the premier attributed the success of Thursday's summit in Sharm al-Shaykh, Egypt, to their initiatives in confronting terrorism and backing up the peace process, government officials said.

Clinton and Mubarak co-chaired the summit.

Foreign Minister Yukihiko Ikeda represented Japan on Hashimoto's behalf at the summit, which brought some 30 world leaders together in haste after the recent series of terrorist bombings in Israel.

At the parley, Ikeda urged antiterrorism steps and called for the momentum of the peace process to be maintained. He also let it be known that Tokyo has decided to offer some \$10 million in additional financial assistance to Palestinians.

In his letters to Clinton and Mubarak, Hashimoto also vowed Japan's further efforts to fight terrorism and keep the Middle East peace process on track, the officials said.

#### **Japan: Achievements of Antiterrorism Summit Weighed**

OW1503090396 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 15 Mar 96 Morning Edition p 2

[Editorial: "The Limits of Anti-terrorism Measures and International Coordination"]

[FBIS Translated Text] An international antiterrorism summit was held in Egypt, and the leaders affirmed the unity of the international community to maintain the momentum of the Middle East peace process, and to stamp out terrorism, which threatens peace.

Although the summit also decided to create a multilateral working committee to deal with terrorist activities, it will be difficult to nip terrorism in the bud with mere "piecemeal measures." It remains seriously doubtful if terrorism can actually be contained as a result of the recent summit.

The holding of the summit was decided at short notice after the Islam fundamentalist group "Hamas" started off a series of terrorist bombings in Israel. For sure, there is great political significance in the fact that top leaders of the world, including U.S. President Bill Clinton, French President Jacques Chirac, German Chancellor Helmut Kohl, British Prime Minister John Major and Russian President Boris Yeltsin, got together.

On the other hand, this ill-prepared summit had its inherent limits. While the chairman's statement issued after the summit closed advocated full support for the peace process and international cooperation to frustrate terrorist groups' efforts to procure arms and raise funds, concrete steps to beef up these declarations will be the task from now on.

The participating nations came to the summit with various political intents. Russia proposed the convening of a new international conference on Middle East peace, demonstrating its desire to rival the United States, which has taken the initiative in establishing a new order in the Middle East. Aiming at pleasing the American public opinion, the United States wanted to strengthen the containment of Iran, which is considered a "terrorist supporting nation." On the other hand, the European states, Russia and other countries, which attach great importance to maintaining their relations with Iran, attempted to prevent the U.S. strategy from playing the leading role.

As a result, the chairman's statement did not single Iran out for criticism, but resorted to harmless, ambiguous expressions. The differences in the major powers' diplomatic strategy for the Middle East also point to the difficulty of cooperating on antiterrorist measures.



One reason behind terrorism by fundamentalist religious groups is the discontent of the people arising from such conditions as unemployment. It is commendable that the summit indicated a common recognition that "special attention needs to be paid to the economic conditions of the Palestinian people in the process of maintaining peace and order."

Japan announced emergency assistance worth \$10 million to the Palestinian autonomous government. The extent to which such aid is used effectively to alleviate existing frictions in society will also be a crucial issue for antiterrorist measures to maintain peace and order.

#### **Japan: Tokyo, Botswana Agree on Need To Reform U.N. Council**

*OW1503141996 Tokyo KYODO in English  
1338 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Foreign Minister Yukihiko Ikeda and his Botswanan counterpart Mompoti Merafhe agreed Friday [March 15] on the need to reform the U.N. Security Council.

In his meeting with Ikeda here, Merafhe praised Japan for its cooperation with the United Nations and noted the Security Council needs to be reformed to make it more democratic and transparent, Japanese Foreign Ministry officials said.

In reply, Ikeda said the proposed U.N. reform should include reorganizing the Security Council, improving the world body's fiscal conditions and promoting development in economic and social fields.

He also reiterated Japan's desire to obtain permanent membership on the Security Council, with the backing of as many other nations as possible.

Botswana is a nonpermanent member of the Security Council for 1995-1996.

Merafhe thanked Ikeda for Japan's contribution to development in Africa, especially in Southern Africa, the officials said.

Botswana has been a chair country of the 11-member southern African development community since its inception in August 1992. The secretariat of the community is in Botswana's capital Gaborone.

#### **Japan: Agency Analyzes Chinese Military Capability**

*OW1503104196 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 14 Mar 96 Morning Edition p 2*

[FBIS Translated Text] Military tension between China and Taiwan over the Taiwan Strait is escalating due to Chinese military's missile exercises off the coast of

Taiwan and live-fire artillery trainings by Chinese Navy and Air Force. The Defense Agency [DA] analyses the situation, saying that "Chinese military's capability is limited and it is unlikely that China will advance toward Taiwan," (according to a senior DA official). However, the DA is preparing for an unexpected situation by strengthening its information gathering system. An accidental collision, although it is unlikely that it would take place, may escalate the situation into a large-scale conflict. We looked over the Taiwan Strait situation from military perspectives.

Since China announced a plan to conduct missile exercises, a special team of the DA's Ground Staff Office Second Intelligence Division has been intercepting the Chinese military's radio information. Moreover, in addition to its own information gathering activities by dispatching the Self-Defense Force's patrol airplanes to the training areas, it seems that the DA is obtaining reconnaissance satellite information through exchanges of information with the U.S. military.

Compared with the Chinese military, the Taiwanese military is overwhelmingly superior in terms of quantity. After all, most of Chinese military equipments is old. China has only 26 Sukhoy Su-27 fighters, which are said to be equivalent to the Western camp's cutting edge F-15. Also, China has only a few landing ships. A senior official of the Ground Self-Defense Force said: "It is impossible for the Chinese military to secure air domination or launch a landing operation of brigade-scale."

Moreover, the economy in China's coastal areas will collapse should Chinese military advance toward Taiwan. There is a strong probability that China's economic modernization front would suffer major damage. Therefore, some DA officials point out: "The Chinese military will not directly advance toward Taiwan but will try to see what moves the United States and Taiwan will make when China tries to take military action, including an attempt to capture Tungsha Islands which are located in the South China Sea and placed under Taiwan's control."

However, we cannot completely rule out the possibility that the Chinese military's repeated exercises will intensify the tension and that an accidental collision may escalate into a full-scale war. The U.S. military dispatched its naval units to the seas around Taiwan to deter an accidental collision. But it is very unusual and was the first time since the Gulf War that the U.S. deployed two battle groups — which are composed of an aircraft carrier, cruisers, and other ships. We can feel the U.S. military's strong sense of crisis.



A senior DA official cites the following as possible scenarios of "sea and air versions of the people's war" that are expected when China decides to attack Taiwan: 1) China will launch concentrated attacks on Taiwan air bases by using ground-to-ground tactical missiles, including M-9's, and make runways unusable; 2) China will wage aerial bombings by using several hundred more than a thousand aircraft so that Taiwan Air Force will not be able to counteract, and 3) China will wage a large-scale landing operation by commandeering civilian merchant ships and fishing boats. A landing operation using civilian merchant ships is a strategy former Japanese military actually used at the time of waging a surprise attack on the Philippines and other countries during the Pacific War.

Such an operation can be detected by the United States, which has reconnaissance satellites, at the stage of troop mobilization. It seems that U.S. military will take some kind of action if the conflict escalates that far. Therefore, the Chinese Navy and Air Force which use outdated weapons have to expect many casualties in fighting against highly-accurate guided weapons.

Nevertheless, senior DA officials cannot rule out the aforesaid scenarios because the "Chinese military's yardstick for measuring 'casualty' is different from that of Western militaries. China also does not hesitate to use its troops once a decision is made," (according to a senior DA official). Moreover, Taiwan plans to buy 150 F-16's from the United States and 60 Mirages from France. Partial deployment of these aircraft will begin this year. There will be a big gap between China and Taiwan in terms of qualitative air power if all these aircraft are deployed for actual battles. Therefore, there is a deep-rooted view within the DA that Chinese military may take some kind of military action before their deployment.

#### **Tokyo Decides To Postpone Talks on Yen Loan to PRC**

*OW1503022396 Tokyo SANKEI SHIMBUN  
in Japanese 14 Mar 96 Morning Edition p 1*

[FBIS Translated Text] To clarify its protest against China's military putting pressure on Taiwan by conducting live-fire missile exercises in the face of the presidential election in Taiwan, the Japanese Government firmed up a plan on 13 March to postpone bilateral negotiations with China on the fourth yen loan, which had been scheduled to open this month. The decision was made in response to critical views expressed within the ruling parties. However, seeing that a change in the overall framework of the yen loan would have a great impact on Japan-China relations, the government aims to "indicate its concern" by postponing the negotiations.

In spite of the government's repeated calls for "self-restraint" in the exercises, criticism of the government's indulgent response to the situation gushed from ruling party members.

In response to such criticism, the Ministry of Foreign Affairs [MOFA] concluded that "it is necessary to indicate Japan's serious concern about China-Taiwan relations without having a great impact on relations between China and Japan" (according to a senior MOFA official) and studied every possible measure, including a review of economic cooperation.

As a result, MOFA has come up with a decision to postpone its scheduled working-level negotiations with China on the yen loan for the next fiscal year, which Japan had regarded as an immediate task to carry out. As for the possible freeze on yen loans pressed by some ruling party members, the government has decided not to freeze loans because it "would let China consider it a change of Japan's policies toward China and would not only seriously affect future bilateral relations" (according to MOFA sources) but also "would run counter to the Japanese Government's position that economic cooperation will back up China's reform and open-door line" (according to the sources).

A rough framework for the fourth yen loan has already been decided, totalling approximately 580 billion yen for three years from fiscal 1996 to 1998 for 40 projects, including improvement of airports and water supply systems in inland areas.

To give shape to yen loans for fiscal 1996, reaching approximately 180 billion yen, the two sides were supposed to start negotiations this month.

According to MOFA, yen loans to China amount to approximately 1.6 trillion, from the first yen loan in fiscal 1979 to the third yen loan in fiscal 1995.

The two sides have set "30 years for repayment with 10 years of deferment" at an annual interest rate of 2.3 percent. China has already paid off the principal and interest for the first yen loan of approximately 330.9 billion yen.

Although the Japanese Government took measures to freeze its gratuitous aid when China conducted nuclear testing last summer, the scale of such free financial aid (approximately 95.7 billion yen) does not compare with that of the yen loan, because the frozen gratuitous aid amounts to only about a sixteenth of the yen loans.



**Tokyo Sees No Change in China's Taiwan Policy**

OW1503124496 Tokyo KYODO in English  
1208 GMT 15 Mar 96

[FBIS Transcribed Text] Tokyo, March 15 KYODO — China has not relinquished its avowed policy of using military force against Taiwan in the event of a declaration of independence by the island, a foreign ministry spokesman said Friday [15 March].

"We don't think China has changed this policy," the spokesman, Hiroshi Hashimoto, told a news conference, while noting a U.S. official's comment that Beijing has assured Washington that China has no intention of attacking Taiwan at this time.

In Washington on Thursday, Capt. Michael Doubleday, a spokesman for the Defense Department, told reporters, "in public and private conversations, the United States...Has been assured...That the Chinese do not intend to take any military action against Taiwan."

Hashimoto said China still seeks to reunify Taiwan peacefully but is ready to use force against the island, which Beijing sees as a rebel province, if Taiwan declares independence.

"We don't know that China has notified Japan or any other country about it (a Taiwan policy change)," Hashimoto said.

China has been conducting missile tests and live-fire military maneuvers in an apparent bid to warn off possible independence moves in connection with the March 23 presidential election which incumbent Li Teng-hui is almost certain to win.

Earlier Friday, Beijing announced another set of combined military exercises in the area to run through March 25.

**Japan: PRC's Fear of Korean Reunification Analyzed**

962B0038A Tokyo FORESIGHT in Japanese Dec 95  
pp 34-36

[Article by Yoshihisa Murayama, journalist: "'Territorial Issue' Hidden Behind 'China-South Korea' Cooperation"]

[FBIS Translated Text] China is making an aggressive and conspicuous approach toward the Korean Peninsula. On 6 October, President and CPC General Secretary Jiang Zemin attended a reception sponsored by the North Korean Embassy in Beijing to commemorate the North Korean Labor Party's 50th anniversary of its inception, accompanied by a large delegation. He made a show of reaffirming the "amity solidified by fresh blood" between China and North Korea.

Also, in the following month of November, he paid his first visit to South Korea as the head of state. On the one hand he staged "China-South Korea harmony" by falling in step with President Kim Yong-sam in criticizing Japan concerning the statement of historical misperception by Director General Takami Eto of the Management and Coordination Agency, and reiterated his "support for voluntary and peaceful reunification" on every occasion.

China's omnidirectional diplomacy on the Korean Peninsula is in full swing. While seeking to repair its chilled relations with North Korea on the one hand, it appears to have further stepped up its relations with South Korea by focusing on economic relations.

However, a Chinese source admitted China's true policy on the Korean Peninsula as follows. "China by no means desires North-South reunification on the peninsula. Is it not also true in the case of Japan?" His intent was that, contrary to Jiang's statements, China really wants maintenance of the status quo on the Korean Peninsula.

In fact, North Korea serves as a buffer zone allowing China to avoid a direct border confrontation with the capitalist system and U.S. military power. Meanwhile, South Korea is regarded as a potential supply source for capital and technology necessary for China's modernization.

Such geopolitical and economic circumstances provide the backdrop for China's lack of desire for North-South reunification. If North Korea's Kim Chong-il's regime collapses and reunification of the peninsula became a reality, what China fears more is the certain rise of Korean nationalism would result in unexpected repercussions on the stability and security of China's northeastern region.

The Korean ethnic population living in China's northeastern region along its border with North Korea totals about two million. The unknown "active fault" left by history due to territorial problems regarding border demarcation between China and Korea still lies dormant today.

**China Wary of South Korea's "Agitation"**

Recently, an "inside publication" containing recorded statements at a closed symposium sponsored two years ago by a certain CPC organization attracted attention in Beijing. It is a book entitled: "Racial and Religious Problems Under the New State of Affairs." It was compiled by the CPC's United Front Dept. With the onus of the Cold War system removed, the symposium reviews China's racial and religious policies towards its minorities from numerous angles with an eye on



movements for racial self-determination in various areas that have started on a global scale. The aim of the symposium is seen as the consolidation of views among party affiliates.

Vice Minister Tian Qi of the Ministry of Public Security, who reported on the movements in China's ethnic minority districts and religious activities, commented on conditions along the China-North Korea border regions and called for close scrutiny. "Some South Korean organizations are employing various means to expand its territory by propagandizing and agitating for 'unification of the Great Han [Korean] race' in regions where the Korean people live in our country, and they are attempting to infiltrate in our direction."

Vice Minister Tian points out, first of all, the "infiltration by the Western adversary forces and the foreign ethnic fragmentalist forces" as the primary factor impacting on China's racial and religious problems. In particular, he made parallel references to situations in the China-North Korea border regions involving movements which seek racial independence and self-rule in Tibet and the Xinjiang-Uygur autonomous districts, and moves for reunification of the Mongolian race including the autonomous district of Inner Mongolia. It clearly manifests the nervousness and heightened vigilance by the Chinese side concerning the racialist trend among South Korea's organizations.

The principal venue for the moves on the South Korean side to agitate for "racial reunification" and "territorial expansion" is the Yanbian Korean people's autonomous state in Jilin Province. After a flight of some two hours in an east-northeasterly direction from Beijing, the domestic plane lowered its nose to break through the clouds, revealing a verdant basin plateau below. There lay Yanbian City and its surrounding farm belt, which form the heart of the Yanbian autonomous state.

To one who has passed through the arid earth of the continent, the deep-green color of the forests and the appropriately damp air were pleasant. As the plane descended toward the lower reaches of the Toman River (Chinese name: Tumen River) forming the border with North Korea, gulls were seen hovering over the river's surface. Although it is in the hinterland surrounded by mountains which overlapped each other like folds, one had the sense that the Japan Sea was close by.

The region, which forms a part of the continent and is at the base of the Korean Peninsula, has occupied a key position geopolitically as the confluence point of the continent and the Korean Peninsula. Its size measures about 63,000 square kilometers. Some two million people live in the region, which is about 1.7 times the size of Kyushu, and nearly half of the population is of

the Korean race. While transborder trade and exchanges with North Korea have continued for a very long time, South Korea's presence has expanded sharply in recent years in various aspects including investment, trade, and tourism.

Immediately after the restoration of diplomatic relations between China and South Korea, it has drawn a large influx of tourists in addition to attracting small-scale service enterprises. However, with the rise of a Toman River development concept focusing on the region, active moves by conglomerate enterprises such as Daewoo and Hyundai have become prominent, and concepts for large-scale investments ranging from the construction of hotels and resorts to manufacturing industries are beginning to take form.

Last year, it was reported that a firm in the Yanbian autonomous state had been awarded a contract to build a road connecting North Korea's Chongin Port and China, but it was also said that a South Korean company actually provided the capital to support the large-scale investments. It is not an overstatement to say that there are even moves to secure vested interests using Yanbian as the base or "filter" with an eye on future reunification of the peninsula.

Mount Changpo (called Mount Paetu in North and South Korea; height of 2,744 meters) looms in the region as one of the tallest peaks in Northeast Asia. It is famous as a mountain related to the origin of the Korean race, but it is fairly recent in history that the Korean people began to live in large numbers in the Yanbian region at its base.

It is since the 19th century that large numbers of Koreans began to cross the border as settlers in the region, whose population had been decimated due to the impoverished Korean economy during the Li Dynasty and to natural disasters. At the same time, intermittent disputes over border and territorial demarcations occurred between the Ching and Li governments.

### **"Territorial Problems" Continued for Several Centuries**

According to a treatise on China-Korea border negotiations made public by Professor Yang Zhaoquan of China's Jilin Province's Social Science Academy, since the early Ming era, the Toman River and the Yalu River were basically designated as border rivers separating the two countries. However, of the two rivers with Mount Changpo as their common source, the river was divided into several streams in the upper reaches between the Toman River and its source, which of course blurred the line of demarcation.



With the advent of the Ching Dynasty in the 17th century, the two sides constructed a monument marking the border and the problem appeared to be settled. However, in the negotiations between the two dynasties over disputes that arose subsequently concerning the border, differences in interpretation of the agreement became clear. This resulted in divergent contentions over territories and border lines.

The crucial question was which of the two rivers was actually the Tumen River (written in different characters in Chinese but pronounced the same) inscribed on the monument as the demarcation river. Whereas the Ching Dynasty contended that it was the Tumen River, the Li Dynasty insisted that it was the Hailan River north of the Toman River, and it claimed the land south of the river as Korean territory.

The Yanbian region was named "Jiandao" during the former Manchurian era due to its geographical location in being sandwiched between the Toman River and the Hailan River. However, according to the Korean contention, it was Korean territory by virtue of the large Korean settler population.

Although the confrontation was temporarily shelved, it flared up again in the latter half of the 19th century when the world powers competed for interests in Northeast Asia, and even led to shooting incidents at one time.

The fact is that the drawnout dispute was ended forcibly by Japan. With victory in the Japan-Russia War, it made Korea its protectorate and usurped its diplomatic rights. It also entered into negotiations with China regarding border problems and signed the "Treaty of Jiandao" in 1909 formally recognizing the China-Korea border. It is pointed out that behind Japan's acceptance of China's contentions was the purpose of winning concessions from China concerning the securement of interests in the northeastern region.

Following the end of World War II, the China-Korea border problem was brought to a de-facto close with the division of the Korean peninsula under the Cold War arrangement. It is not clear as to how views were exchanged between the late President Kim Il-sung, who used the Yanbian region as his base to fight against the partisans across the border, and the Chinese side. During the Korean War, China dispatched hordes of volunteers to support North Korea. This time, however, there is evidence that the Chinese side took the offensive concerning the territorial issue on the basis of its contribution in "Resisting America, Assisting Korea."

According to a Chinese source, "after the Korean War, the Chinese side proposed concession of the Toman River mouth region, which has served as a roadblock by

North Korea and the former Soviet territories in preventing China's access to the Japan Sea. However, Kim Il-sung rejected any "concession regarding territory." After many twists and turns, both sides eventually agreed in the early 1960's on the Toman River as the present borderline.

### **Reaction Against Japan Cannot Be Overlooked**

Meanwhile, there is a strong contention among some private South Korean citizens — particularly scholars, organizations, and politicians with a strong nationalist bent — that the Yanbian region belongs to the Korean race.

Here, too, is an aspect of emotion resembling resentment against colonial rule by Japan. The South Korean researchers point out the invalidity of the "Treaty of Jiandao," which created the present line of demarcation. They present the following argument points. 1) Japan wrongfully deprived Korea of its diplomatic rights and arbitrarily signed the border treaty with China. 2) At the time, Japan merely obtained the power of command concerning South Korea's diplomacy, and the treaty which infringed upon disposition of territory is invalid. 3) The series of declarations and treaties determining post-World War II disposition, in addition to prewar treaties and agreements, are all invalid on the basis of the Japan-China peace treaty. They also point out that "it was Japan which reduced the territory of the Han race."

Of course, this issue has not been taken up at present as an issue between the Chinese and South Korean Governments. For South Korea, it is an unrealistic matter at present when it shares no border directly with the Yanbian region. The reason is that it is not to its advantage when its urgent goals are to expand relations with China while watching the trend in North Korea and to gain a foothold in the huge market of 1.2 billion people. According to a well-informed source, the South Korean Embassy in Beijing is calling on South Korea's private organizations to refrain from displaying moves to instill nationalist consciousness in China's northeastern region.

The problem lies, as is indicated by the domestic reaction in South Korea against the "Treaty of Jiandao" concerning border demarcation, in the fact that circumstances exist for a strong sense that the ownership of the Yanbian region was wrongfully distorted through Japan's control of the Korean Peninsula. Because it was not a direct agreement between the parties concerned, but a result brought on by humiliating intervention by a third party, an emotional springboard must inevitably be brought to bear on efforts to correct it.



Thus, with North-South reunification as a turning point, there is a strong possibility for rising nationalism to be linked inseparably to this issue. If the independence of the race, which was contained amid the transition from Japan's past control to the Cold War system, should be realized through reunification of the Korean Peninsula, there would be a sharp awareness of the territorial issue as "unfinished postwar business."

A national awareness of history provides the backdrop for the strong attachment displayed by both North and South Korea toward the continental territory. According to the views among historical researchers in North and South Korea introduced by Yang Zhaoquan's treatise, ancient Korean states such as Koryu had occupied a considerable portion of China's northeastern region. The state of Bohai, which succeeded it in the Middle Ages, is seen as a Korean state and it is contended that "historically speaking, the Manchurian plateau was a stage of activity by our race."

In August 1992, immediately after the establishment of China-South Korea relations, a contention was made by South Korea's media that if the unsettled problems between South Korea and China are left ambiguous, South Korea-China relations will be caught in the web of history like South Korea-Japan relations. It was pointed out that, together with the question of apology for China's participation in the Korean War, the territorial problem "must be settled between the two nations."

Also, the Chinese side is fully cognizant of the trend on the Korean Peninsula. In particular, it is nervous about the impact of the question of the identity of the approximately two million Korean population, which will gradually influence the stability in the northeastern region. This has led to the vigilant posture among the leaders of the Public Security Ministry at the aforementioned symposium.

Prof. Yang Zhaoquan issued an unusual warning in his treatise that "there is ample possibility of a border dispute arising in the future between China and South Korea. China's academic and political circles should focus on it with greater concern." In addition, China's experts have reportedly visited Japan this year to check related documents existing in Tokyo. Beginning with the academic circles, rhetorical preparations for the future are steadily going ahead.

### **Japan: Defectors Say Tokyo's Aid Helping Pyongyang Dictatorship**

*OW1503050096 Tokyo SAPIO in Japanese  
13 Mar 96 pp 18-21*

[Article by Yusuke Fukada, nonfiction writer and commentator, second in a series titled: "'Rice' and 'Nuclear Reactors'... Defectors Testify: 'Japan Is Encouraging North Korean Threat of Southward Invasion'"]

### **[FBIS Translated Text]"Undernourished Soldiers Fed by Mother's Milk"**

"Food shortage" is being attributed to rumors that North Korea [DPRK] will trigger off a "southward invasion in March."

As I wrote in the 28 February issue, North Korea suffered a large-scale poor harvest because it had a long spell of rain and floods last summer. By floods in particular about 500,000 people were reported left homeless and 1.5 million tons of grain were totally ruined, thus the multitude of people were said to be on the verge of starvation this winter. On the other side of this food crisis, North Korea has continuously reinforced its military strength near the military demarcation line with the Republic of Korea [ROK] since last autumn.

Then, what about the realities of this food crisis? Chong Song-san, former Peoples Army soldier who testified in the previous issue about the danger posed by underground tunnels directly dug underneath the "38th parallel" and the realities of DPRK Special Forces, went on to reveal a symbolic episode such as the following.

How does the military treat soldiers hospitalized due to malnutrition? A soldier's body would not accept food given abruptly. On top of this, medicine is scarce. So, Chong says, women who recently gave birth and live near the hospital are brought to the hospital. "These women milks herself to give it to the soldiers. Such practices are frequently carried out because they are thought to recover soldiers' physical strength."

When a woman who had been residing in Japan visited a certain rural district under special permission and gave some sugar to a child nearby, the child was quoted as saying, "It is the first time that I have tasted sweet salt."

Chronic food crises have been going on from the 1980's in North Korea and people there have long suffered from a shortage of calories and from malnutrition.

I met Yi Min-bok who had been with the farm crops laboratory of the DPRK Academy of Agricultural Sciences before his defection to the ROK in February 1995. As an agricultural specialist, he explained North Korean food crises, "It is certainly true that the general situation



is very difficult." He added, "But that does not mean that the people are compelled to live on two meals a day."

Yi said that the general situation has to be distinguished from isolated specific situations.

In North Korea, an annual per capita ration is 170 kilograms of grains including rice, corn and so on. North Korea has a population of 23 million and annually four million tons of grains are required to feed them. In the 1970's, Kim Il-song made it public that "3.5 million tons will suffice."

Last year's grain production of about 3.8 million tons was exceptional and it was said to be an extraordinarily poor harvest. At the least 4 million tons of grains are harvested annually. Good crops can expect 6 million tons of harvest. Yi said, "Therefore, I think that the ordinary people are at a full level of eating 'corn rice.'"

"Corn rice?" It means that 170 kilograms of grains per person, on the assumption that they were secured, were comprised of corn and rice. On top of it, no side dishes are available, except Kimchi. Corn itself is said to be on the decrease in recent days.

Shortage of food in North Korea is not basically due to the recent floods, Yi pointed out, but it is probably due to the problems related to socialist system of agricultural collectivism. "Agricultural difficulty will be totally solved, if collective farms are made open to individuals. Probably from eight to about 10 million tons of grains annually can be produced there. In fact, North Korea harvested 10 million tons of grains during the 1970's."

He meant that harvests of two to three times can be expected without much trouble, but the Academy of Agricultural Sciences cannot insist on that method too strongly. Because introduction of such policies is feared as a menace the governing system itself.

In fact, senior members of the Academy of Agricultural Sciences made such proposals many times to their upper echelon people and it was said that every time Kim Il-song and Kim Chong-il rejected it.

The proportion of corn rice differs between what is distributed among the soldiers and what is distributed to the civilians. Of the 10 kg of grain, soldiers get 8 kg in rice and the remaining 2 kg in corn, while the civilians get the opposite, eight in corn and 2 kg in rice.

But the favorably treated military personnel get no other foodstuffs such as meat. Because of hunger caused by shortage of calories, upper-level officers in the military snatch more rice than they are supposed to be rationed. Thus the 8:2 ratio does not apply to low-ranking soldiers, who sometimes get less rice than corn to the

contrary. Now the story of "mother's milk" mentioned in the beginning becomes convincing.

Does not such a food shortage in the military lead to discontent among some officers and soldiers and possibly to a coup d'etat?

Before the Second World War, a series of poor harvests in Japan's Tohoku region triggered off a military rebellion on 26 February 1936. Soldiers conscripted from the Tohoku region were informed by letters from home of miserable situations that their families were reduced from two meals to one meal a day and that their younger sisters had to sell themselves. Concerned about the poverty, some junior officers revolted to remedy the situation and that was the February 26th incident.

I asked Yi whether the North Korean food crisis would or would not cause the military accidentally to take up such a revolt. Yi replied, "Certainly I think there is that possibility. Left as it is, the North Korean food crisis gets worse day by day. It is probable that the food crisis will destroy North Korea."

#### **Rice Assistance Only Aids Dictatorship of Kim Chong-il**

Despite such a food shortage, the DPRK has stockpiles of reserved rice and strategic rice. In North Korea, the state takes 95 percent of what farmers harvested. No specific figures are available about how much will be apportioned to the military. Yi explained, "It is said that food for six months is stockpiled as reserved rice for war at all times. And that rice will never be released unless there is a war."

It is no wonder then that the crisis will be further accelerated. Under such circumstances, new trends have begun for individuals to save and accumulate what they can eat however small the quantity is in the rural areas.

First, people would not eat all of the rationed food and save little by little what is left. In addition, they illegally cultivate farms to grow foodstuffs.

The annual allotment of 170 kg of food is not regularly rationed every half a month as provided [by law]. The state does not guarantee foods to those who work 365 days for the state.

Yi's tone of voice rose. "That is why North Korean people till lands for the sake of individuals. Of course it is illegal. But the state cannot control them if they explain it is inevitable for them to do so because rations do not reach them on time."

One man can till land the size of 30 tsubos in one or two days and from that lot 100 kg of grain can be harvested. When one tills land the size of 60 tsubos, he can harvest



200 kg of grain more than the quantity of grains the state rations.

It is no wonder that the people's interest turns to privately owned illegal farms and rice paddies. On the other hand, people in urban areas who have nothing to do with farmlands endeavor to make money by trade. "The people are already practicing the policy of reform and an open market. Because of this, North Korea will collapse. What Kim Chong-il worries most is this and therefore the government is suppressing people not to go any further toward capitalism."

As a matter of fact, assistance rice sent from Japan and the ROK and so on are being used for the purpose of keeping the DPRK regime's system from collapsing.

Since June last year, Japan, the ROK and the United States carried out their aid in rice to North Korea in a competitive manner. But, what does it mean now to help North Korea with rice? Yi deplored that it was a mistake to send rice to North Korea before the flood last summer. He said, "Do you know why Kim Chong-il asked for rice at that time? He needs rice in order to prevent people from willfully racing toward capitalism or to prove the righteousness of the current system. He is politically a very outstanding person and during the last year everybody seemed have been fallen prey to his tactics."

The 50 tons of assistance rice North Korea received from foreign countries were worth 100 tons of rice because corn is the main ingredient in the ration. As a whole, the ratio of the ration is one of rice to two of corn. And the DPRK authorities are reported to be exchanging the rice sent from foreign countries with two to three times the quantity in corn from China and Russia.

Then, is the present strategy of Japan, the ROK and the United States handing rice for the purpose of alleviating tension between North and South Korea being utilized to maintain the system of Kim Chong-il's regime? Yi said, "Kim Chong-il does not worry about the starvation of the people at all. His prime concern is the maintenance of his order. If he had the slightest concern about the people, he should have carried out reform policies including opening the country's economy to the outside world. But he does not. Helping such a regime by sending rice can only be construed to be assisting the dictatorship to maintain itself."

He meant that if the idea is to help the North Korean people with assistance rice, such action should be taken only after the total quantity of rice reserved for the military is confirmed.

Those who defected to the south from North Korea uniformly and frankly do not agree that North Korea faces a "food crisis." To us Japanese, it is a food crisis all right if we have to live on corn rice and kimchi. But they harbor "antipathy" against us who continue to send rice meekly without fully knowing about the North Korean system against which they revolted, in addition to the difference of standards used to measure the crisis.

It is not just rice assistance that is helping Kim Chong-il maintain his order. It has been strongly pointed out that Japanese technology is supporting the North Korean nuclear development which the whole world closely watches.

A defector by the name of Kim Dae-ho I met had not been an engineer directly engaged in the development of nuclear weapons. But after discharge from the military service, he worked in projects for disposing uranium contaminated waste liquids. After serving as vice director of Nanchon Chemical Complex Plant of the General Department of Atomic Energy Industry, he defected to the ROK in May 1994. From the testimony of this atomic energy technician, it is easy to imagine how Japanese technology and products are "helping" the nuclear development of North Korea.

**Nuclear Development Technology Wholly Dependent on Japanese Products Under North Korea's Ministry of Atomic Energy Industry is the Sixth Korean Equipment Export-Import Corporation, and within the corporation is the Equipment Export-Import Section, which established a trading company branch with its head office in Tokyo. The Equipment Export-Import Section head, concurrently adviser to the Tokyo head office of the company, was purchasing equipment and material required for nuclear development of North Korea. Therefore, Kim said, Japan is actually guaranteeing North Korea's nuclear development. He added, "I have never seen or felt how far nuclear development has progressed; but Kim Il-song said, 'We will win because we are strong' when war breaks out on the Korean peninsula. In short, he meant it is going to be a nuclear war."**

North Korea's logic is that it has to propel nuclear development far enough to demonstrate its power to Japan and the United States. Then, in case war breaks out, it can warn Japan that it "will drop nuclear bombs on the mainland." Then neither Japan nor the United States can intervene. North Korea is experimenting with Nodong No. 1 and No. 2 missiles, whose major and first target is said to be Japan. So North Korea is attempting to hit Okinawa and even Tokyo within its



range. Ignorant of this, Japan is studiously exporting materials and equipment to North Korea.

Most nuclear development funds are being financed by "patriotic contributions" from those who have families and relatives in North Korea. On top of that, clandestine transactions are carried out through Japan.

Japan exports quite a lot of equipment and materials to North Korea, for example materials used in acid-treatment extraction of uranium. Because North Korean iron oxidizes easily, North Korea secretly imports oxidation resistance equipment and materials from Japan, including many banned items; even welding rods are Japanese made. Workers on the scene wear blue cotton work clothing with attached hoods and rubberized waterproof clothing, and even these things are being imported from Japan. Kim told such shocking stories one after another. He added, "So, in North Korea Japan is called 'stupid' because it guarantees materials and everything without knowing that it is being targeted, encouraging North Korea to develop nuclear power as soon as possible. Tokyo will burn if Japan is not told to stop sending them."

North Korea's nuclear warheads are apparently aimed at Tokyo, not Seoul, even in case of contingencies in the Korean Peninsula. Kim said, "North Korea would launch nuclear missiles against Tokyo rather than Seoul. If it attacked Seoul, our nation would be destroyed, right? Kim Il-song and Kim Chong-il are Koreans. Why do we have to destroy ourselves? North Korea will launch them against two places [Japan and the United States]."

He also said that Kim's regime in North Korea cannot possibly survive without Japan.

#### **Japan Should Give "Black Plastic Film" Rather Than Rice As Aid**

Since the beginning of this year, three countries — Japan, the ROK, and the United States — have been conspicuously at odds over assistance to relieve North Korea's food crisis.

The United States, which insists on active assistance, decided to provide \$2 million [4000 tons] in assistance again on 2 February. Taking this opportunity, the United States wants to work positively to improve relations with North Korea and make its freeze on nuclear development projects more definite.

Meanwhile, Japan expects to offer rice assistance tied to negotiations to normalize diplomatic relations between Japan and the DPRK. Out of consideration for national feelings, the ROK wants to grasp leadership in the Korean Peninsula and proceed with dialogues with

North Korea. So the ROK is negative about providing assistance soon, because it wants to prevent Japan and the United States from approaching North Korea over the ROK's head. Furthermore, China decided to provide North Korea rice assistance ranging from 200,000 to 300,000 tons, compelling Japan, the ROK, and the United States to come up with a new response.

A powerful North Korean strategy against the ROK is called the "sedge hat drawstring strategy." Writer Yi Hang-gu, who defected from North Korea in 1966, has explained, "The present ROK government is being maintained by the two drawstrings of a sedge hat. One string is the United States and the other is Japan. The sedge hat will slide off the head when one of the strings is cut."

By severing the ROK from Japan and the United States, the "sedge hat drawstring strategy" aims at isolating the ROK internationally.

Then the three countries — Japan, the ROK, and the United States — can be said to have been completely trapped by that strategy.

What can Japan do now in dealing with North Korea's food crisis? The answer would be, for example, technical guidance in agriculture for cold climates rather than rice assistance.

In pre-Second World War Manchuria, people lived on kaoliang, millet, and bran, all of which were feeds for domestic animals. Rice was rarely available. It was not much different from the situation in Japan's Tohoku district, where people were repeatedly stricken by famine.

However, that northeastern China famine district has now assumed a different role as Japan's granary, producing such quality rice of the sasanishiki and koshihikari varieties. "Black film" played a great role in bringing about this great change.

When seeds are sown in the spring, the rice paddies are covered with plastic black film that retains moisture and heat, thus contributing to producing tasty rice. The man who succeeded in this experiment in the northeast region is Shoichi Ishimoto, formerly a professor at the Tokyo University of Agriculture. He spread this scientific agriculture technology throughout China and became the number-1 honorary citizen of Dalian. Now people in China's northeast region eat fine rice, not kaoliang minor cereals any more.

In rice production, rice-cleaning machines are indispensable. The Satake Plant in Hiroshima was quick to export rice-cleaning machines to Vietnam after the end of the



Vietnam War and made a great contribution to improving the quality of Vietnamese rice. At present, Satake is operating a big plant in China's northeast region.

I consider this kind of long-range guidance in agricultural technology for cold districts far more important than makeshift short-range rice assistance. Efforts must be made to evade crises brought about by food shortages by exporting black film to North Korea rather than machine tools for nuclear development.

The March crisis along the "38th parallel" is approaching. It is true that North Korea lacks long- to medium-range prospects. I cannot help thinking that on the assistance donor side, Japan, the United States, and the ROK also lack long-range prospects for peace on the Korean peninsula.

#### **Tokyo To Grant \$22.6 Million to Pakistan for Projects**

*OW1503001496 Tokyo KYODO in English  
2307 GMT 14 Mar 96*

[FBIS Transcribed Text] Islamabad, March 15 KYODO — Japan will provide machinery and equipment worth \$22.6 million for two development projects in Pakistan, Japanese Embassy officials said Thursday [14 March].

The grant will include \$11 million for a construction machinery training institute in Islamabad.

Japan will also extend \$11.6 million for drilling tube wells in arid areas of Baluchistan Province.

Japanese Ambassador to Pakistan Takao Kawakami and Aftab Ahmad Khan [spelling of name as received], Pakistan's secretary of economic affairs, signed the agreements Thursday.

#### **Japan: Report Says 'Mild Economic Recovery' Under Way**

*OW1503011696 Tokyo KYODO in English  
0014 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — The government confirmed Friday [15 March] that a mild economic recovery is under way after officially declaring last month that the economy had started picking up again.

The Economic Planning Agency (EPA) said in its latest monthly economic report, "the economy is showing signs of recovery, though they are gradual."

The agency had used the word "recovery" in the February issue of its carefully worded economic assessment for the first time since August 1995.

In the March report, the EPA said, "production is gradually picking up on the back of positive trends

in capital investment, housing construction and other areas."

But the agency sounded cautious about the strength of the budding recovery, citing "sluggish employment conditions and other causes for concern."

Among bright spots in the economy, housing starts totaled an annualized 1.65 million units in January, rising 2.8 percent from the December level and 7.2 percent year on year.

Housing construction is likely to remain strong for another half year or so because the government-affiliated housing loan corp. seems to have drawn sizable lending applications between late February and early March at low interest rates, an EPA official said.

Public works investment is also propping up the economy, with a supplementary budget adopted last fall beginning to show its teeth, he said. Public works starts in January gained 37.0 percent from a year earlier, while public works orders also gained 37.0 percent in value.

Industrial output in January rose 0.5 percent from the previous month for the fourth straight monthly rise, confirming a gradual recovery on the production front, the official said.

The Ministry of International Trade and Industry foresees a monthly decline of 5.3 percent in March output, but the EPA official said the figure is exaggerated.

Hours worked overtime in January were also strong, rising a seasonally adjusted 1.8 percent from December and 7.0 percent from January 1995, the official said.

Corporate earnings are moderately improving on the whole, though small businesses are lagging behind, the official said.

The agency, however, cannot yet be sure that the nascent recovery will prove solid, the official said.

The EPA is concerned first and foremost about weak employment conditions and their possible adverse effect on consumer spending and wages, the official said.

While the ratio of job offers to job seekers rose for the fourth straight month in January to 0.67, or 67 job openings for every 100 applicants, the nation's jobless rate stayed at a record 3.4 percent.

The agency is also worried about subdued overseas economies and their possible impact on exports, the official said. The EPA assessed that exports remain flat in the March report.

Private capital investment is turning up modestly, as indicated by a 6.1 percent rise in producer goods



shipments in 1995. But companies are cautious about their investment plans for fiscal 1996 beginning in April, the official said.

A Bank of Japan survey shows that major companies project their fiscal 1996 capital outlays to rise a meager 0.6 percent from estimates for fiscal 1995.

#### **Japan: MOF Removing Restrictions on Private Bond Placements**

*OW1503120096 Tokyo KYODO in English  
1042 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — The Ministry of Finance [MOF] presented the Liberal Democratic Party (LDP) on Friday [15 March] with a package of financial deregulation measures, including the removal of restrictions on the private placement of bonds, ministry officials said.

The measures will take effect April 1, the officials quoted the ministry as reporting to the LDP's deregulation panel. The LDP is the largest component of the tripartite ruling coalition.

According to the officials, the ministry will remove restrictions limiting the maximum amount of a bond issue for private placement to 20 billion yen and the number of issues to six a year.

The ministry will also permit leasing and credit companies to use funds, which they raise through the issuance of commercial paper, for capital spending, redemption of commercial paper and financing of operations, the officials said.

However, a ban on the use of money from paper issues for loans will stay in force.

In addition, the ministry will remove guidelines for new public offerings of shares, as it will require issuers to fully disclose relevant information, the officials said.

Among other matters, the current guidelines say companies are permitted to offer new shares to the public if they have rates of more than 10 percent for their return on equity.

#### **Japan: Diet Blockade Delays Creation of 'Resolution Trust Corp'**

*OW1403130396 Tokyo KYODO in English  
1203 GMT 14 Mar 96*

[FBIS Transcribed Text] Tokyo, March 14 KYODO — The 11-day Diet standoff over a government plan to use taxpayers' money to help liquidate ailing mortgage firms is delaying the establishment of the Japanese version of Resolution Trust Corp. (RTC), Finance Ministry officials said Thursday [14 March].

Opposition legislators, bolstered by public opinion against the liquidation plan, continued barricading the entrances to the House of Representatives Budget Committee room, where a vote on the fiscal 1996 state budget is to take place.

The blockade has already forced the government to put off the planned introduction of a set of three special bills designed to deal with the nation's banking crisis, the officials said. They were originally scheduled to be submitted on March 8.

One of the bills calls for the creation of a Japanese RTC, a debt-collection body that will purchase bad loans from a number of credit unions expected to become insolvent in coming years, they said.

The bill would allow the new body to draw taxpayers' money into a pool of additionally charged insurance premiums to be collected by Deposit Insurance Corp. from financial institutions if there is not enough money to cover the cost of buying bad loans from credit unions.

If the bills fail to clear the Diet, the government's RTC plan would be effectively halted, and this would force banking regulators to give up plans to have them absorb a part of the 1 trillion yen loss accumulated by Kizu Credit Union, they said. Kizu collapsed last August.

The failure to establish the RTC would also cause the ministry to drop plans to have it purchase nonperforming loans of Osaka Credit Union, which went virtually bankrupt last December.

An official at the ministry's banking bureau said the Diet "may become unable to bother about the three bills, now that the government is not sure even when next year's budget bill will be able to clear the Diet."

#### **Japan: Coalition's Request on 'Jusen' Surprises Industry Groups**

*OW1503125196 Tokyo KYODO in English  
1141 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Industry groups were surprised by the ruling coalition's unusual request to help persuade the political opposition to call off its picketing strategy in the Diet over measures to liquidate failed housing loan companies known as "jusen," industry officials said Friday [15 March].

The main opposition Shinshinto (New Frontier Party) has built a human blockade in the lower house's budget committee room, stalling discussions on the fiscal 1996 budget for more than a week, which includes the jusen liquidation package.



The party opposes the government's plan to use taxes to help resolve the Jusen company crisis and is calling for a snap general election to seek a public verdict on the issue.

"I don't really know what's happened," an official of the securities industry said of the request by the governing coalition formed by the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger].

The request was made to the top leaders of industry groups including the brokerage, steel and banking industries earlier this week, the officials said.

Banking industry officials cold-shouldered the request, saying banks can hardly respond positively because they are in the spotlight of public criticism over the affair.

#### **Japan: Shinshinto Rejects Doi's Urging To End Diet Blockade**

OW1503053296 Tokyo KYODO in English  
0457 GMT 15 Mar 96

[FBIS Transcribed Text] Tokyo, March 15 KYODO — The main opposition party Shinshinto (New Frontier Party) on Friday [15 March] rejected House of Representatives speaker Takako Doi's urging to terminate their 12-day-old blockade of diet sessions on the budget bills.

Shinshinto's Takeo Nishioka, who heads the party's Diet Affairs Committee, told a press conference, "we have no plan to dismantle the picket."

Shinshinto lawmakers have been staging an around-the-clock sit-in in front of the lower house budget committee room in order to obstruct the passage of the fiscal 1996 budget, which contains the outlay for liquidating seven bankrupt housing loan firms using taxpayers' money.

The opposition party is demanding the 685 billion yen expenditure be struck from the bills.

Doi handed Nishioka her recommendation in a document form which stated that physically blockading Diet discussions is nothing less than a denial of democracy.

Since Shinshinto ignored the recommendation, Doi may move toward removing the Shinshinto legislators by force.

Doi, however, is pinning her hope on burgeoning signs within Shinshinto of a softening on the issue.

Shinshinto head Ichiro Ozawa had earlier displayed a milder posture concerning the party's adamant blockading of Diet discussions.

Ozawa said that if the ruling coalition agrees to summon Liberal Democratic Party (LDP) Secretary General

Koiichi Kato to the budget panel for testifying on a shady donation he received in the past, Shinshinto will return to the panel discussions.

Kato allegedly received a 10 million yen donation from Kyowa Co., a now-defunct steel frame maker and a borrower from one of the mortgage companies. He has denied taking the money.

Ozawa stressed that the party will not abandon its demand for striking the 685 billion yen outlay from the fiscal 1996 budget.

Ozawa's remarks apparently signaled a softening of his stand on the budget bills in response to Doi's mediation efforts and the ruling coalition's pledge to secure enough time for discussions.

Doi has promised not to allow any voting on the bills without Shinshinto's agreement.

Meanwhile the LDP's Kato made clear he has no intention to testify about the dubious political donation before the budget panel.

He told a press conference that the issue has already become a legal one because Shinshinto lawmakers have filed a criminal complaint against Kato over the donation and prosecutors have accepted the complaint.

Kato also said the ruling coalition has no more concessions to make to Shinshinto in order to break the Diet stalemate.

#### **Japan: Government 'Aims To Adopt' Temporary Budget**

OW1503090896 Tokyo KYODO in English  
0858 GMT 15 Mar 96

[FBIS Transcribed Text] Tokyo, March 15 KYODO — The government aims to adopt a plan next Tuesday [19 March] to compile a stopgap budget with a duration of at least 30 days for fiscal 1996, beginning April 1, as the Diet impasse does not seem likely to break soon, government spokesman Seiroku Kajiyama said Friday.

If the duration is less than 30 days, the House of Councillors will not be able to hold sufficient debate on the 75.1 trillion yen budget bill for fiscal 1996 after the House of Representatives, the lower chamber, passes the budget and sends it to the upper house, the chief cabinet secretary told a press conference.

If 30 days is not enough, the duration would be made some 40 or 50 days, he said.

Diet debate on the fiscal budget has been stalled for 12 days due to confrontation between the ruling and opposition camps over a controversial provision



to use 685 billion yen from the general account for the liquidation of seven moribund mortgage companies known as "jusen."

Finance Minister Wataru Kubo said Friday morning that his ministry will start work next week on compilation of a stopgap budget.

After a cabinet meeting the same morning, Prime Minister Ryutaro Hashimoto met Kajiyama, Kubo and Economic Planning Agency Chief Shusei Tanaka and shared the view that compiling of a stopgap budget is unavoidable, government officials said.

Ministry sources said the envisaged provisional budget will likely cover 20 to 30 days.

#### **Japan: Coalition To 'Maintain a United Approach' on Budget**

*OW1503114096 Tokyo KYODO in English  
0913 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Prime Minister Ryutaro Hashimoto and other leaders of the three ruling coalition parties affirmed Friday [15 March] that the parties will maintain a united approach to passing the 75.1 trillion yen fiscal 1996 budget, coalition officials said.

Diet deliberations on the budget have been stalled by a 12-day blockade by lawmakers from the main opposition Shinshinto (New Frontier Party) to prevent the Diet budget panel from meeting.

Hashimoto of the Liberal Democratic Party (LDP), former Premier Tomiichi Murayama of the Social Democratic Party (SDP), former Finance Minister Masayoshi Takemura of New Party Sakigake and other executives of the ruling parties met in the Diet in the afternoon.

The government and the ruling alliance shared a view that arranging a stopgap budget is unavoidable, as fiscal 1996 will begin April 1, LDP Secretary General Koichi Kato said at a press conference after the meeting.

The duration of the stopgap budget would be decided swiftly, depending on political developments, he said.

Chief Cabinet Secretary Seiroku Kajiyama, who also attended the meeting, told a separate press conference that the government will decide on a stopgap budget next Tuesday and its duration would be at least 30 days.

The ruling parties did not decide to make any new concessions to Shinshinto, Kato said.

Shinshinto has staged a sit-in protest at the entrances to the House of Representatives budget committee room since March 4, demanding the removal from the budget

of expenditure of 685 billion yen in taxpayers' money to liquidate seven failed housing loan companies.

Earlier in the day, Shinshinto rejected the request of lower house Speaker Takako Doi that they should end their blockade of Diet sessions on the budget bills, since such a protest is undemocratic.

Shinshinto's Takeo Nishioka, who heads the party's Diet affairs committee, told a press conference, "we are not planning to disband the picket."

Doi might decide to have the Shinshinto legislators removed by force, but she apparently hopes the matter will be resolved by Shinshinto itself, which is showing signs of softening its protest.

Shinshinto head Ichiro Ozawa had earlier displayed a milder posture concerning the party's blockading of the budget panel, apparently in response to Doi's mediation efforts and the ruling coalition's pledge to secure enough time for debate on the budget.

Doi has promised not to allow any voting on the bills without Shinshinto's agreement.

While stressing that the party will not abandon its demand that the 685 billion yen outlay be removed from the fiscal 1996 budget, Ozawa said that if the ruling coalition agrees to summon the LDP's Kato to the budget panel to testify on a shady political donation he allegedly received, Shinshinto will rejoin the panel's discussions.

Kato allegedly received a 10 million yen donation from Kyowa Co., a now-defunct maker of steel frames which was a borrower from one of the failed mortgage companies.

He has denied taking the money and has made clear he has no intention of testifying before the budget panel, telling Friday's press conference that the issue has already become a legal one because Shinshinto lawmakers have filed a criminal complaint against him over the donation.

#### **Japan: Kajiyama Criticizes NFP for Budget Passage Delay**

*OW1503114296 Tokyo KYODO in English  
1006 GMT 15 Mar 96*

[FBIS Transcribed Text] Tokyo, March 15 KYODO — Chief Cabinet Secretary Seiroku Kajiyama on Friday [15 March] criticized the main opposition Shinshinto (New Frontier Party [NFP]) for delaying passage of the 75.1 trillion yen budget for fiscal 1996, beginning April 1.



Shinshinto's 12-day blockade of the House of Representatives budget panel room, aimed at preventing a vote on the budget, "violates parliamentary democracy," the top government spokesman told a press conference.

Kajiyama said the Shinshinto blockade has forced Prime Minister Ryutaro Hashimoto and his cabinet earlier in the day to decide to compile a stopgap budget to cover spending for at least 30 days.

Kajiyama, a Liberal Democratic Party member, said that Shinshinto has no reason to continue its protest because the tripartite ruling coalition has promised it will not force the budget bill through the diet.

The opposition party is demanding that 685 billion yen in taxpayers' money, earmarked for use in a government scheme to liquidate seven moribund mortgage firms, be removed from the budget.

#### **Japan: Test Model of SDF Reconnaissance Helicopter Unveiled**

OW1503042496 Tokyo KYODO in English  
0348 GMT 15 Mar 96

[FBIS Transcribed Text] Nagoya, March 15 KYODO — Kawasaki Heavy Industries Ltd. held a ceremony Friday [15 March] to mark the completion of a test model of a new reconnaissance helicopter for the Ground Self-Defense Force (GSDF) at its factory in Kakamigahara, Gifu Prefecture.

Although detailed specifications of the new helicopter — the OH-X — have not been revealed, defense officials said it is designed to gather intelligence in antitank warfare, particularly on the number and location of enemy tanks and the direction of their fire.

They said the OH-X — which will replace the previous OH-6 helicopters — is equipped with a new navigation system for night flying and an infrared sensor for reconnaissance.

The GSDF has been developing the new helicopter since 1972, at a total expenditure of some 89.1 billion yen. It is the first time such a helicopter has been produced domestically, the officials said.

They plan a first test flight of the OH-X this summer.

They said the GSDF currently maintains 185 OH-6 helicopters, and the new OH-X helicopters will be deployed from the year 2000.

#### **North Korea**

#### **DPRK: U.S. Denounced for Interference in PRC-Taiwan Affair**

SK1403153396 Pyongyang Korean Central  
Broadcasting Network in Korean  
1300 GMT 14 Mar 96

[FBIS Translated Text] According to reports, due to the anti-PRC commotion by the United States in connection with the PRC's missile firing test, confrontational relations between the two countries are all the more coming to the fore.

On 5 March, upon authorization, the PRC XINHUA News Agency announced that the Chinese People's Liberation Army would conduct a ground-to-ground missile firing exercise near the Taiwan Strait from 8-15 March. On 9 March, XINHUA News Agency reported that the Chinese People's Liberation Army would conduct live-fire exercises of the Navy and Air Force near the Taiwan Straits and over its skies from 12-20 March.

After these official announcements by the PRC side, spokesmen of the U.S. State Department and the White House held news conferences and babbled that they regard the PRC's missile firing test as irresponsible and provocative, and that if something goes wrong during the missile firing test, there will be consequences.

On 10 March, during an interview with the U.S. NBC TV, U.S. Secretary of State Christopher threatened that if the PRC uses force against Taiwan, the one-China policy will be reexamined. During a news conference on 11 March U.S. Defense Secretary Perry said that as a prudent preventative measure, the U.S. increase its naval forces in the Taiwan Strait.

In accordance with the strengthening of the U.S. commotion from the PRC threat, a large-scale U.S. naval force is being concentrated in the Taiwan Straits. According to reports, at dawn on 12 March the Independence, an offensive aircraft carrier, and an aircraft carrier flotilla of four vessels approached the Taiwan Straits.

On 11 March, THE WASHINGTON POST reported that the U.S. President ordered that the second batch of the aircraft carrier flotilla be dispatched to the Taiwan Straits. In this connection, the Nimitz, a nuclear-powered aircraft carrier; submarines; and another flotilla of six vessels will arrive in the Taiwan Straits around 20 March from the Persian Gulf.

Foreign news reports note that if these two aircraft carrier flotillas join forces, they would become one of



the biggest U.S. forces ever deployed in this region since the Vietnam war.

In response to these maneuvers by the United States, China has expressed a hard-line stance. During a news conference on 11 March, Qian Qichen, vice premier of the Chinese State Council and foreign minister, said the military exercise China has been staging in the Taiwan Straits is intended to show China's resolve and ability to defend its sovereignty and territorial integrity. He also criticized the United States, saying that its deployment of aircraft carriers in the Taiwan area is a ridiculous act.

He also said that the fact that some people have openly raved that the U.S. Seventh Fleet must be allowed to get involved in the issue of the reunification of the two sides of the strait and that Taiwan must be defended is very preposterous. He said they probably forgot the fact that Taiwan is a Chinese territory, not a U.S. protectorate.

When questioned to comment on the U.S. decision to send a second aircraft carrier flotilla to the Taiwan Straits at a news conference on 12 March, a spokesman for the Chinese Foreign Ministry said that the U.S. decision to send aircraft carriers there was not wise. He also pointed out that if the Taiwanese authorities consider the U.S. action to be an act of supporting and encouraging their activities designed to divide China, it will be very dangerous.

The spokesman also said the U.S. Government must not give the wrong signal to the Taiwanese authorities that it supports their divisionist maneuvers.

In connection with the Taiwan issue, he demanded that the United States abide by the three principles of the China-U.S. communique and not interfere in the internal affairs of China.

#### **DPRK: U.S. Official Calls for Abolition of ROK's NSL**

*SK1503095596 Pyongyang KCNA in English  
0944 GMT 15 Mar 96*

["U.S. State Assistant Secretary Urges Abolition of 'NSL' in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The U.S. State Department, in an "Annual Report on Human Rights" released on March 6, said South Korea's "national security law" [NSL] still remains a factor of whittling away at the rights to free expression and other freedom of civilians," [no begin quote marks as received] according to a news report.

Meanwhile, the U.S. state assistant secretary for human rights said that the "NSL" should be abolished in South Korea.

#### **DPRK: ROK Blamed for 'Deliberately Obstructing' N-S Dialogue**

*SK1503095396 Pyongyang KCNA in English  
0933 GMT 15 Mar 96*

["S. Korean Chief Executive's Jargon About 'Dialogue' Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The spokesman for the Committee for the Peaceful Reunification of the Fatherland (CPRF) issued a statement to the press on March 14 denouncing the South Korean chief executive for groundlessly slandering the DPRK and misleading the public opinion over the issue of North-South dialogue.

Branding this as a third-rate trick to shift their responsibility for the rupture of inter-Korean dialogue onto the North and justify their crimes in deliberately obstructing the dialogue, the spokesman said:

The South Korean chief executive's remarks that the North is attempting at an "armed provocation", refusing to hold dialogue with the South, and the South must "secure military upper hand" are deliberate moves to bring the situation on the Korean Peninsula to the brink of war by further aggravating inter-Korean relations and extremely coiling up the tension.

It is preposterous that the South Korean rulers are hell-bent on the confrontation and war racket against the North while drivelling about "dialogue."

Dialogue is incompatible with confrontation.

Obtrusively enough, the South Korean chief executive cried for "dialogue" during his tour of other countries, hurling slanders at the North at random.

What he sought in this is to quell down the anti-"government" feelings which have grown with the slush fund scandal and the May 18 incident as an occasion and with the approach of the puppet National Assembly election and justify their crimes in bringing the inter-Korean relations to the worst phase.

Another sinister purpose is to find a pretext to introduce war materiel and arms based on ultra-modern technology from other countries and intensify war exercises by coiling up the tension on the Korean Peninsula on the plea of possible "provocation" by the North.

In addition, they seek to shift the responsibility for the suspension of dialogue onto the North and brand it as a source of "military threats", thus putting a spoke in the wheel of improvement of DPRK-U.S., DPRK-Japan relations.



With no trick, however, can they cover the truth and reverse the fact.

The South Korean authorities must stop the false advertisement about "dialogue" and give up the reckless war provocation moves at once.

If they are truly interested in inter-Korean dialogue, they must apologize to the whole nation for the crime they committed when a great misfortune occurred in the North, renounce the notorious "National Security Law", an institutional device in the way of dialogue and reunification, at an early date and release without delay the pro-reunification and patriotic-minded figures who have been illegally imprisoned.

**DPRK Commentary on ROK Defense Minister's Remarks on Military Power**

*SK1503061896 Pyongyang Korean Central Broadcasting Network in Korean  
1223 GMT 12 Mar 96*

[Commentary by Yun Pyong-son: "Warmongers' Powder-Reeking Remarks and Actions"]

[FBIS Translated Text] According to reports, puppet Defense Minister Yi Yang-ho recently called for complete security preparedness at a so-called inauguration ceremony for the new puppet Air Force Chief of Staff. He raved that a war can be prevented and peace defended only when they maintain strong military power, and that the issues between the North and South can be resolved when they are backed by strength. A man who has been appointed to the new puppet Air Force Chief of Staff also reiterated the threat from the North and chimed in with the puppet defense minister by contending that he will maintain thorough preparedness for war.

This is a scheme that can only be concocted by warmongers who plot to invade the North by hiding a dagger in their bosom, as well as an intolerable challenge against us who are doing the best for peace and reunification.

War and peace cannot coexist together. In order to prevent a war and to ensure peace on the Korean peninsula, the North and South should reduce armament and achieve national reconciliation and unity. This is the only way to alleviate tensions and prevent a war on the Korean peninsula, the world's most dangerous dead-heat region. Building up military power on the Korean peninsula where huge armed forces acutely face each other along the Military Demarcation Line will only elevate the danger of war and amplify mistrust and misunderstanding.

In effect, whenever arms reinforcement is stepped up and war exercises are staged in South Korea, tensions have escalated and the danger of war has increased. No one can deny this stark reality.

Nonetheless, the South Korean regime is babbling as if military power can prevent a war and be the means to maintaining peace. This is a brigandish logic of warmongers which will not work on anyone. The threat from the North which the puppets rave about is nothing but a sophism to justify their maneuvers to unleash a war of northward invasion.

The entire world knows that the puppets have built up arms from the beginning of the year and staged large-scale war exercises with outside forces or alone almost every day, bringing the situation to the brink of war.

The military threat of the Korean peninsula comes from the South, not from the North. The powder-reeking bellicose remarks on the strong military power, the preparedness for a war, and so forth which the puppets babbled about on this day clearly reveal their ugly intentions to strangle their fellow countrymen with outside forces by further completing the preparation for a war of northward invasion under the pretext of peace and the prevention of war.

In the past, we made numerous proposals to prevent a war and to consolidate peace, and have consistently made all the sincere efforts to realize our proposals. This year too, we have set forth a proposal on turning this year as a year of peace and great national unity among the North, the South, and overseas. Our proposal has won supported from the people at home and abroad.

The Kim Yong-sam clique, which responds our efforts for peace and reunification with accelerated war preparations, is the one which is not interested in the peace and the reunification on the Korean peninsula. They are vicious warmongers who only dream about realizing the reunification by prevailing over communism.

Because the Kim Yong-sam clique is an accomplice in traitor No Tae-u's slush fund scandal and had supported and protected Kwangju murderers, it has been driven to the corner by the people's denunciation and curse. The Kim Yong-sam clique attempts to find its way out from the provocation of a war of northward invasion.

No one can predict when the Kim Yong-sam clique, which is driven to the corner, will ignite the train of war against the North. As long as such warmongers as the Kim Yong-sam clique remains in power, our people will never be able to escape from the danger of war.



Being fully prepared to smash enemy's any provocative maneuvers at a stroke, we are closely watching the rascals' acts.

The Kim Yong-sam group should clearly see the reality and should not act recklessly.

#### **DPRK: ROK 'Military Provocations' in DMZ Criticized**

*SK1503034596 Pyongyang KCNA in English  
0339 GMT 15 Mar 96*

[*"Military Provocations in DMZ"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The South Korean puppets committed military provocations against the North again in the Demilitarized Zone (DMZ) in the central and eastern sectors of the front on Wednesday [13 March], military sources said.

Puppet army soldiers who appeared in DMZ in the eastern sector of the front repeatedly aimed a 90mm recoilless gun and two 12.7mm machineguns at the North side's civil police posts, gravely threatening the safety of People's Army soldiers.

Meanwhile, many heavily armed soldiers of the puppet army whipped up a terrible atmosphere of confrontation in different places of DMZ in the central sector of the front.

#### **DPRK: Kim Yong-sam Accused of Using Trials for Political Purposes**

*SK1503132896 Pyongyang KCNA in English  
0943 GMT 15 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The first trial of the principal culprits of the "December 12 army purge coup" and the May 18 incident, which was held on March 11, has come under strong criticism in South Korea, a Seoul-based radio reported.

A spokesman for the "National Congress for New Politics" said the indictment was unreasonable because it was brought in with the investigation of not only the chief murderers of Kwangju people and the person who ordered firing but those involved in the incident not being made fully. "The authorities' announcement that documents concerning the U.S. behind-the-scenes manipulation of the Kwangju bloodbath will not be made public is a behavior turning down the people's demand for the disclosure of the incident," he added.

Meanwhile, the Kwangju-South Cholla provincial joint measure committee for bringing those responsible for the May 18 incident to trial and other dissident orga-

nizations said the limits of "setting the modern history straight" have been revealed by the fact that the authorities failed to bring all those responsible for the Kwangju massacre to the trial. And they accused the Kim Yong-sam group of using the trial for their ulterior political purpose.

#### **DPRK: Yugoslav Party Leaders Meet With WPK Delegation**

*SK1503033796 Pyongyang Korean Central  
Broadcasting Network in Korean  
0100 GMT 11 Mar 96*

[FBIS Translated Text] On 5 March, a Workers Party of Korea [WPK] delegation led by Chi Chae-yong, vice director of a WPK Central Committee department, was received respectively by (Rathsko Krsma Nontz), chairman of the National Committee of the League of Communists-Movement for Yugoslavia; (Stevan Mirkovich), chairman of the Standing Committee of the Communist Labor Movement; and (Franco Kitonovich), general secretary of the Communist Movement for New Yugoslavia.

The leaders of these parties asked the head of the delegation to convey their wishes that the great leader [widaehan yongdoja] Comrade Kim Chong-il will enjoy a long life and good health to strengthen and develop the international communist movement.

The chairman of the National Committee of the League of Communists-Movement for Yugoslavia said: The DPRK party and people are building unique popular masses-centered socialism, while flying high the banner of the chuche idea under the wise leadership of the great leader [widaehan yongdoja] Comrade Kim Chong-il. This is a great encouragement and strength to the progressive forces of the world who are waging a struggle to rebuild socialism.

The chairman of the Standing Committee of the Communist Labor Movement said: Our party has extensively studied the latest works of the great leader [widaehan yongdoja] Comrade Kim Chong-il and organized debates on the works. In the course of doing this, we have come to clearly understand why socialism collapsed and get a lesson from it. As Comrade Kim Chong-il has pointed out, if a socialist ruling party maintains its ideology, it will be victorious, and if it abandons its ideology, it will perish. This is a historic truth. We will cherish faith in socialism and positively wage a struggle to rebuild socialism in Yugoslavia until the end of our lives.

The general secretary of the Communist Movement for New Yugoslavia said that the Pyongyang Declaration is



a historical document that gave the people of the world an invincible faith in the socialist cause.

**DPRK: Pakistani Envoy Hosts Reception for Leader's Birthday**

SK1503040696 *Pyongyang KCNA in English*  
0348 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The Pakistani ambassador to Korea, Rehmdil Bhatti [name as received], gave a reception on Thursday.

The ambassador, speaking at the reception, said that there are many anniversaries and happy days but there is no more auspicious day than February 16 when His Excellency Kim Chong-il, the great leader, was born. He is wisely leading the Korean people and the Korean revolution, the ambassador noted.

His Excellency Kim Chong-il is developing the friendly and cooperative relations between Pakistan and Korea, the ambassador said, adding that the Korean people are a happy people who are upholding him as the great leader.

He expressed the belief that the Korean people will win greater victory in the future.

Saying that April 15 is a significant day when the great leader President Kim Il-song was born, the ambassador stated:

"He was a genuine father who built modern Korea and a great man who provided friendship between the Pakistani and Korean peoples.

"He enjoys deep respect and reverence not only from the Korean people but also from the Pakistani people and the world's progressives."

Speaking next, Kim Yong-nam, Politburo member of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, said that the friendship between Korea and Pakistan is a solid and viable friendship which was provided by the great leader Comrade Kim Il-song and His Excellency Esteemed Zulfikar Ali Bhutto and has been constantly developed under the deep care of the great leader Comrade Kim Chong-il and Her Excellency Esteemed Benazir Bhutto. The excellent relations of friendship and cooperation will be strengthened and developed with the passage of time, he stressed.

"We highly appreciate the Pakistani people's enormous achievements in building a new society under the correct leadership of Her Excellency Esteemed Prime Minister Bhutto," he said.

He wished the Pakistani people greater advance in their future work.

**DPRK: Kim Il-song's Personality Extolled as Identical to Sun**

SK1503025196 *Pyongyang Korean Central Broadcasting Network in Korean*  
1000 GMT 12 Mar 96

[NODONG SINMUN 12 March article: "The Immortal Revered Name of the Sun"]

[FBIS Translated Text] The revered name of a great leader [suryong] of the revolution is cherished deep in the minds of people along with his great personality forever. The great leader Comrade Kim Il-song! This immortal revered name is the immortal banner of life, struggle, victory, and glory of our people as well as mankind.

We proudly call our glorious socialist fatherland Kim Il-song's Korea, our era — which was pioneered and has been advanced under the banner of independence — the Kim Il-song era, and the 20th century — which has witnessed great creation and change — the Kim Il-song century.

Why do our people call all of these most precious and sacred things in combination with the fatherly leader's [suryongnim] revered name today? The more our people call the revered name of the respected and beloved leader [suryong] the more their longing for the leader become deep. They are staunchly struggling with matchless strength and courage. Where does such noble ideological feeling of our people comes from?

Kim Il-song, the immortal revered name for which our people long so much! This revered name reflects the fatherly leader's [suryong] great personality and immortal achievements and the eternal singlehearted unity between the leader and our people. Kim Il-song, the immortal revered name, is shining forever. Infinitely shining in this revered name is the eternal future of our party and revolution led by respected and beloved Comrade Kim Chong-il [kyongachanun kimchongil tongji], our nation, and mankind.

The wealth and prosperity of our country, our fatherland, the final victory of the chuche revolutionary cause, and the bright future of the era of independence are precisely in the struggle of the faithful people who are advancing, holding aloft the revered names of the great leader [widaehan suryong] and the great leader [widaehan yongdoja] like flags.

**1. Kim Il-song, the immortal revered name which will shine forever.**

This revered name reflects the fatherly leader's great personality, which is identical to the sun and the people's absolute reverence for the leader.



The great leader [yongdoja] Comrade Kim Chong-il has indicated: The leader [suryongnim] was not only a great leader [yongdoja], but was a great revolutionary and a great human being. He was the people's benevolent father.

Whenever our people call the revered name of the fatherly leader [suryongnim], whom they have missed so much, they come to look up to his image as they do the sun. Whenever our people think about the revered name of the fatherly leader, they come to think of his great personality.

People have long compared something most sacred, noble, and great to the sun. The sun is the mother of all things and is the source of the activities of all lives. The sun's ray is an infinite thing which shed light on endless space, and the sun's heat is something infinitely warm that fosters all organisms in this world. The sun's gravitation is so strong that it can pull even a planet that is far away.

Kim Il-song! This name is the revered name of the sun. In the formative period of the Korean revolution, the young Korean communists, including Kim Hyok and Cha Kwang-su, deeply moved by the respected and beloved leader's [suryongnim] great personality, called the leader's revered name great star [hanbyol] and the sun.

For 70-odd years since then the leader's revered name has been treasured in our hearts. Today, we more keenly feel how farsighted and reasonable it was that the generations of that time named the leader after the revered name of the sun.

The great Comrade Kim Il-song is the great man of great men who glorified his whole life as the image of the sun, as his revered name means. The path of the fatherly leader's 80-odd years of life was the history of the sun which illuminated the road ahead for the times and the people, the leader's immortal achievements were the achievements of the sun, which rescued our nation and mankind, and his life-long cause is the cause of the sun, which will be immortal as long as human beings live and the planet exists.

The idea of the great leader [widaehan suryong], this is indeed the sun's ray. As the ray of the sun gives light to a planet, the idea of a great man gives bright light to mankind.

Idea and sagacity are the lights of a great man. The respected and loved leader [kyongaehanun suryong] was the great sun elucidating the way for mankind to advance with the rays of the chuche idea. The idea of the great leader [widaehan suryong] was an influential weapon which makes man who adheres to

his fate the most powerful existence; a life-giving water which nurtures the suppressed and neglected nation into a powerful and respected nation; and a driving force which puts man's history into the orbit of independence. Our people are the people who have revived under the rays of the great idea, and our period is a new era in history which moves forward following the orbit of this idea.

At an international academic symposium on chuche idea held in Moscow some time ago to mark the significant February holiday, the fatherly leader's [oboi suryong] revolutionary idea and chuche idea were strongly displayed as an invincible idea perpetually providing progress, prosperity, happiness for man in the 21st century as well as in the 20th century.

Today, the revolutionary banner, which is being carried by the people who are struggling for a new world, is the chuche idea; the forceful weapon adhered by the people who stand up for the revival of socialism is also the chuche idea. While looking at today's world, which is developing and struggling with the chuche idea, we deeply bear in our hearts that the leader [suryong], who is the founder of the immortal chuche idea, is truly, as his esteemed name signifies, the sun emitting radiant beams.

Where could we find such a peerless great man as our leader [suryong] through all ages and places, who discharged the rays of the chuche idea to hundreds of millions of the popular masses when he was alive and emitted the sun's bright light to mankind even after his death? Therefore, today, we are singing in our hearts that the leader's [suryong] eternal sun casts a sacred ray on the bouquet of the liberated Korea.

The great leader's [widaehan suryong] politics is endlessly warm, just like the sun's heat. If the sun's heat is a heat blossoming all flowers, the great man's politics is the source of making people's happiness blossom. Wise politics changes the universe. The great leader [widaehan suryong] is a distinguished politician who makes the people's true life and happiness blossom through the politics of love, faith, and benevolence.

The leader's [suryong] politics is a popular politics which achieved the century-old desire of the people to live in a new world, which is free from exploitation and pressure; an all-embracing politics which gives a worthwhile life to all the people; and a benevolent politics which fosters the ordinary people into fighters and heroes.

In connection with this politics, many people changed their fate from slaves to honorable masters and highly



manifested the dignity and honor of a valuable revolutionary. Also, people who were poor and held in contempt rose to the place of highest happiness.

Our-own-style socialism, a society centered on man, in which people are the masters of everything and everything in society serves people, is a brilliant fruition of the leader's [suryong] politics. Also, a large family in our society, in which we live harmoniously helping and leading each other, is the fruition of the leader's [suryong] politics, and our single-hearted unity, in which the whole party, the whole Army, and all the people move according to one goal and intention, is a lofty feat made by the leader's [suryong] politics.

The leader's [suryong] politics is truly a wise politics by which an ideal society was established on this land, which had been believed to exist only in heaven.

When the fatherly leader [oboi suryongnim] was alive, a religionist visited our country and said with strong emotion that he was a Christian pastor who has never bowed to anyone except God, but that he would bow his head and give his greetings to President Kim Il-song, who is more sacred than God and who is unfolding great politics.

The love and outstretched hands of the great leader [widaehan suryong] who devoted his whole life to the people cannot be forgotten even in our dreams. Therefore, today, our people are working to find the father's bosom.

This bosom of the great leader [suryongnim] was the loftiest persona that fascinates and pulls many people, like the traction of the sun. As the traction of the sun is the great force pulling planets, a great man's persona is the centripetal force that makes the people unite and follow him. Fascinated by the great man's persona, the people come to truly uphold the great man and unite in one rank.

Our leader [suryongnim] was the great man of great men who had an extraordinary personality unprecedented in history, and he was also the hero of the century who was knowledgeable, generous, and brave. The great leader's [suryongnim] appearance was the appearance of a peerless great man born with the sublime spirit of Mt. Paektu and the mystic wisdom of Lake Chon; his voice was the voice of a matchless general that shakes the whole earth and annihilates the enemy; his smile was a legendary smile that enabled even a dead tree to flower and brightened the entire world. Our people saw the sun's image in his appearance, voice, and smile and came to uphold the leader [suryongnim] like sunflowers that follow the sun.

There had been no other great man like our leader [suryongnim] who had a pure and perfect image as a leader [suryong], as a revolutionary, and as a human being. His fervent comradeship prompted him to run even a thousand miles a night and go through critical danger in order to save his comrade. With his limitless capacity, he embraced all sorts of people who differ in political opinion, religion, and characteristic in his bosom like the great ocean that welcomes every large or small river. He had unparalleled braveness unwavering even in the ruin of the sphere. Our leader [suryongnim] had these inborn traits.

Fascinated by the leader's [suryongnim] inborn traits, the fighters who stood in the ranks of the anti-Japanese revolution as the first generation of the Korean revolution, as well as the second and third generations of our revolution, followed him while entrusting their lives in his bosom, which they regarded as the bosom of the sun. Did they not? Our people were fascinated by the great leader's [suryongnim] sun-like persona, walked along the long way of the revolution while upholding the leader, and became a family with the leader [suryongnim] as their father.

In the beginning of revolutionary activities, even stubborn people like Pyon Tae-pu were captivated by the leader's [suryongnim] persona to launch into the revolution. Following the national liberation, even old rightist politicians who had dedicated their lives to anticommunism like Kim Ku who was full of guts, were moved by the leader's [suryongnim] greatness to turn to the pro-communist road of patriotism. Those who had lived lives full of vicissitudes, like Choe Tok-sin, also began to live new lives in the bosom of the leader [suryongnim].

Today, with each passing day, our people deeply realize their great happiness and pride in having carried out revolutionary activities upholding the great leader [suryongnim] who had such extraordinary traits. Our leader [suryongnim] was a saint of the revolution and a great hero whose idea, leadership, and persona cannot but be praised as the sun. The respected and beloved leader Comrade Kim Il-song, who had the esteemed name Sun [Il] and glorified his life like the sun! The esteemed name Sun, which the people named him reflecting their absolute trust in him, and which bears the people's boundless loyalty to him, as well as the glorious history of his advance along with the people! The esteemed name of great Comrade Kim Il-song, Sun, will deeply engrave the leader's [suryongnim] image in the people's hearts forever. [music]



## 2. Kim Il-song—The Immortal Revered Name Will Shine Forever

The esteemed name sheds brighter lights as days go by thanks to the respected and beloved [kyongaehanun] General Kim Chong-il. The great leader [widaehan suryong] Comrade Kim Il-song taught: Comrade Kim Chong-il is the symbol and future of the chuche-based Korea. Under the leadership of Comrade Kim Chong-il, the chuche revolutionary cause will be ever-victorious.

When we engrave the leader's [suryong] esteemed name deep in our hearts, we think of the respected and beloved [kyongaehanun] General Kim Chong-il, who glorifies the leader's [suryong] esteemed name for ages. When we call the fatherly leader's esteemed name, we picture the image of the general as a great man, who firmly moves forward the leader's [suryong] sun-like cause and devotes his everything to the immortality of the leader [suryong].

The esteemed name of the leader [suryong] is the eternal symbol of the revolution. In order for the esteemed name and image of the leader [suryong] to shine generation to generation, we need to have a successor who is loyal to the leader [suryong]. With the loyalty of the successor, the leader [suryong] will be immortal and the cause named after the esteemed name of the leader [suryong] will be firmly inherited.

Let us look around the world today. Mankind is witnessing the stunning reality in which the authority of outstanding leaders [suryong], who had been internationally renowned and respected as the teachers and benefactors of the suppressed people, is being ruthlessly defamed. Lofty gains named after the esteemed name of the leaders [suryongdul] fell overnight, monuments engraved with the image of the leaders [suryongdul] were destroyed, and significant historical sites in memory of the leadership achievements of the leaders [suryongdul] have turned into ruins.

Today, we vividly see how the esteemed names of the leaders [suryongdul] are being trampled upon in countries where socialism has been hindered. Not portraits of the leader [suryong], but pictures of villains who betrayed the leader [suryong] and who do not know obligations and morality, are prevailing. Not the achievements of the leader [suryong], but the work of the riffraff is being advertised. Not the songs of the leader [suryong], but low-grade and decadent popular songs are spreading.

History tells us that when the esteemed name of the leader [suryong] does not shine in the hearts of the people, the country and the nation will lose its life, the revolution will be hindered, and there will be no future.

In today's world, the esteemed name of the leader [suryong], who pioneered the road of revolution for the first time, sheds brighter light as days go by only in our country, the Kim Il-song Korea, led by the respected and beloved [kyongaehanun] General Kim Chong-il.

A great man recognizes the other great man. A great man glorifies the other great man's esteemed name generation to generation. The respected and beloved [kyongaehanun] General Kim Chong-il. He is a great revolutionary, a great man, and a great leader [widaehan yongdoja], who struggles for his lifetime cause to glorify the esteemed name of the fatherly leader.

Let us look back on how the respected and beloved [kyongaehanun] General Kim Chong-il led our party and revolution for more than 30 years. Every step was embroidered with victory and glory in the history in which the general glorified the esteemed name of the great leader [suryong]. Every achievement of our general is an immortal achievement that highly displayed the authority of the leader [suryong]. Our general's leadership is sleepless and restless leadership that has implemented the leader's [suryong] idea and intention.

Thanks to the respected and beloved [kyongaehanun] general's boundless loyalty and filial piety, the fatherly leader lives forever in the image of the sun, which is the literal meaning of his esteemed name. That the leader's [suryong] esteemed name shines means the leader's [suryong] image lives deep in the hearts of the people. Immortality of the leader's esteemed name, as well as boundless loyalty and filial piety toward the leader [suryong], lies in upholding the leader [suryong] like we did when he was alive.

The Kumsusan Memorial Palace. Our people visit the supreme sacred place of chuche in good time and bad time. The Kumsusan Memorial Palace, where the fatherly leader's image of the sun with a broad smile is shining, where the statue of the leader's [suryong] noble appearance stands like the sun, and where the leader [suryong] is in his lifetime appearance, is a sacred place of the revolution where the chuche sun lives forever.

Stepping into the sacred palace, we feel solemnity as if we were embraced in the fatherly leader's boundlessly broad bosom, the bosom of the sun. We are deeply moved as if we were seeing and being taught by the leader [suryong] in his lifetime appearance.

In the palace, everyone emotionally recalls the unforgettable days spent with the fatherly leader and pledges to fulfill the obligation as the sons and daughters of the sun to the end. The respected and beloved [kyongaehanun] general has most brilliantly implemented the cause



to uphold the fatherly leader in his lifetime appearance so that the leader's [suryong] image lives forever in the hearts of the people.

History has never seen such an epic about the legendary loyalty and filial piety that has most respectfully upheld the leader of the previous generation [sondae suryong] so high. A foreign friend who visited the Kumsusan Memorial Palace said that the Kumsusan Memorial Palace is the acme of Comrade Kim Chong-il's loyalty, filial piety, and obligation toward great President Kim Il-song, and that the general has shown the people of the world a living example of the political and moral view that communists should bear in upholding their leader [suryong].

What words can sing the inmost feelings of the respected and beloved [kyongaehanun] general, who upholds the fatherly leader for ages with the purest, truest, and warmest heart, and who has made the esteemed name of the leader [suryong] shine for thousands of generations? The energetic leadership of the respected and beloved [kyongaehanun] general makes the achievements of the fatherly leader shine forever.

The esteemed name of the leader [suryong] shines because the achievements of the leader [suryong] are firmly defended and maintained. The achievements of the leader [suryong] are never defamed and obliterated when the esteemed name of the leader [suryong] is used in revolutionary slogans. Today, the revolutionary ideology we take as our lifeline in our fighting is the revolutionary ideology of Comrade Kim Il-song. The Workers Party of Korea, which is the eternal guiding force of our revolution, is the party of Comrade Kim Il-song. The revolutionary Armed Forces, which defend our revolutionary cause with rifles, are the Army of Comrade Kim Il-song. All these gains that shine with the esteemed name of the fatherly leader have traces of the boundless loyalty and sleepless and restless leadership of the respected and beloved [kyongaehanun] general.

The first slogan the respected and beloved [kyongaehanun] general presented after the great leader [widaehan suryong] passed away was "Let Us More Thoroughly Arm Ourselves With the Revolutionary Ideology of the Great Leader [widaehan suryong] Comrade Kim Il-song!" His work published on the occasion of the 50th founding anniversary of the party was "The Workers Party of Korea Is the Party of the Great Leader [widaehan suryong] Comrade Kim Il-song." The general's immortal traces of ceaseless on-the-spot guidance are found in significant units where the leader [suryong] left his leadership achievements.

A historic decision was adopted at the delegates meeting of the League of Socialist Working Youth of Korea

[LSWYK], which was held not long ago, to incorporate the esteemed name of the great leader [widaehan suryong] Comrade Kim Il-song into the name of our youth league. What did our people feel on the emotional day? They firmly believed that the respected and beloved [kyongaehanun] general will make the leader's [suryong] esteemed name shine forever generation after generation.

What words can sufficiently praise the greatness of the leadership of the respected and beloved [kyongaehanun] general, who has boundlessly glorified the immortal achievements of the fatherly leader, as well as the esteemed name of the leader [suryong]? The iron will of the respected and beloved [kyongaehanun] general is the fountain of the energy to firmly inherit and complete the cause of the fatherly leader—the cause of the sun.

That the esteemed name of the leader [suryong] shines means that the cause of the leader [suryong] is inherited and completed. The cause that shines with the esteemed name of the leader [suryong] is bound to be inherited as the cause of the leader [yongdoja]. We will inherit our brilliant cause of the sun as the sun ray generation after generation. This was the historical oath taken by the respected and beloved [kyongaehanun] general on Mt. Yongnam a long time ago. [music]

The general has kept the oath to the end and has resolutely defended, adhered to, and glorified the great leader's [suryong] cause—the chuche cause.

This road was truly honorable, but it was a road of arduous struggle with all sorts of trials.

The general's firm determination and principle to consummate the chuche cause to the end were highly displayed in the struggle to smash the antiparty and counterrevolutionary factional elements challenging the leader's [suryong] cause. They were also vigorously demonstrated in the battles of fierce confrontation with imperialists who were attempting to obliterate our-own-style socialism.

Let us see who is the final victor! The respected and beloved General Kim Chong-il who is leading the party, the Army, and the people with such firm courage and revolutionary optimism! He is precisely the most resolute defender of the leader's [suryongnim] cause and the great revolutionary inheritor who will hang the flag of final victory on the high peak of the chuche cause.

The fatherly leader's [suryongnim] (?image) is shining with the great general's loyalty and filial piety; is being defended as the banner of struggle by the general's energetic leadership; and is casting its rays to the hearts of the people. The fatherly leader's image is shining everywhere in this socialist land today. The leader's



[suryongnim] noble traces are engraved everywhere as immortal achievements. And the proud descendants of Kim Il-song nation who are cherishing the leader's revered name deep in their hearts are staunchly growing up.

Korea of today is indeed Kim Il-song's Korea, a country in which the fatherly leader [suryongnim]'s image of the sun remains forever. The respected and beloved general is building this great country and is demonstrating its dignified appearance. As long as the general is with us, the revered name of the leader [suryongnim] will vigorously encourage our people to struggle forever as sons and daughters of the sun.

### **3. Kim Il-song, The Immortal Revered Name Will Shine Forever**

This revered name is linked as one with the noble, revered name of respected and beloved Comrade Kim Chong-il.

The great leader Comrade Kim Il-song has taught: My ideology is synonymous with Comrade Kim Chong-il's ideology, my leadership is synonymous with Comrade Kim Chong-il's leadership, my personality is precisely Comrade Kim Chong-il's personality, and my features are precisely Comrade Kim Chong-il's features. These words mean that Kim Il-song is synonymous with Kim Chong-il and Kim Chong-il is synonymous with Kim Il-song.

The cause of the sun can be carried on only by the sun, and the bosom of the sun can be replaced only by the sun. General Kim Chong-il, our great leader [yongdoja], is the sun of guidance whose ideology, leadership features, and virtues are identical to those of the fatherly leader [suryongnim].

The appearance of the respected and beloved general who is shining with the wisdom of farsightedness is identical to the fatherly leader's appearance as the sun. The leadership features of the general who is leading the revolution with iron will and matchless courage are identical to those of the leader's leadership features. The bosom of the general who has ample generosity and benevolence is identical to that of the leader as the sun. This is why Han Tok-su, chairman of the General Association of Koreans Residing in Japan, praised the respected and beloved general by saying: Whenever I met the great leader [suryongnim], I thought there was no such a handsome man and a good speaker as our leader in the world. It is precisely the respected and beloved general who evokes the feeling and emotion that I had toward the leader at that time.

Whenever our people see the appearance of the respected and beloved general, they recollect the appear-

ance of the fatherly leader [suryongnim] and the general's revered name.

The glorious name Kim Chong-il! This immortal esteemed name is literally the esteemed name of the sun. The meaningful revered name bearing the image of the great sun-like man who leads the people in the most straightforward direction with his great idea, outstanding wisdom, and noble traits! The great revered name—which reflects the ardent desire of the people who want General Kim Chong-il to become the sun that correctly carries on the cause of the sun pioneered in the forests of Mt. Paektu—is precisely the revered name of our General Kim Chong-il. Shining together in this revered name is the fatherly leaders' [suryongnim] revered name of the sun.

When we think of the general's revered name, the fatherly leader's sun-like image comes across our mind, and we become filled with the pure determination to uphold the general with the same attitude and stance as we had when we upheld the leader [suryongnim]. The revered name of the general is the revered name of the leader [suryongnim], and the latter shines where the former shines. Whenever we call the revered name of the respected and beloved general, our hearts become warm with ardent loyalty, and our red blood was strongly stirred. Whenever we ruminate over the revered name of the respected and beloved general, we remember our history of faith and our history of unity and victory.

With the revered name of the respected and beloved general as the banner of their struggle and victory, our people have stoutly fought for a long time since they began upholding the bright Paektu star. Our red flag, which Korean revolutionaries have defended at the cost of their lives, is engraved with the revered name of the respected and beloved general, as well as the revered name of the fatherly leader [oboim suryongnim], in golden color. All our revolutionary gains also bear the general's immortal footsteps along with the leader's [suryongnim] sublime traces.

Today when we uphold respected and beloved General Kim Chong-il who is leading the great leader's [suryongnim] cause along the most straightforward road of victory, we cannot hold down our overwhelming trust in our general, who has the same revered name as the leader's [suryongnim], as the sun of the people. This is indeed the noble idea and emotion of our people who deeply and actually experience the greatness of our general whose name is exactly the same as the legendary revered name of the sun. The revered name of the respected and beloved general! The brilliant name is the banner of our faith. [music]



The revered name of the leader [yongdoja] provides the people with the faith in absolute victory and the invincible fight. The revered name of the leader [yongdoja] is the pillar of faith and the source of will. The respected and beloved general who has always led the revolution along the single straightforward road of victory while changing misfortune into fortune, and an unfavorable situation into a favorable one with his iron will that is never shaken under any stormy circumstances and with his chuche-oriented strategies and tactics that sway the whole world! Whenever we call the revered name, we are overflowing with the heroic guts of believing that however hard it is, there is a way out for every situation; we also overflowing with faith in absolute victory; and we can fight while loudly singing revolutionary songs at any place at any time.

The respected and beloved general plants deep in our hearts the fervent zeal to live not only for today, but also for tomorrow; he also plants the valor deep in our hearts that there is no match in the world for one who is prepared for death! Our people are indeed the revolutionary people who always walk along the single road of revolution while overcoming harsh trials and obstacles and upholding the revered name of the general. Fighters who struggle with the revered name of the great general in mind come to have strong faith and will.

Long live the great General Kim Chong-il! Those revolutionaries who advance, holding aloft this slogan, neither worry about any difficulties and trials nor act against their revolutionary faith even though they are put in jails and come to the gallows. When we struggle holding aloft the revered name of the respected and beloved general as the banner of faith, the future history of the Korean revolution will shine forever as a history of victory shining with faith and will.

The revered name of the great general! This brilliant name is the symbol of our eternal singlehearted unity. Genuine revolutionaries are united calling the revered name of their leader [yongdoja]. They defend their unity under the banner of the revered name of their leader [yongdoja].

Kim Chong-il! This immortal, revered name reflects the lofty aspiration of the Korean communists and people to uphold the respected and beloved general as the center of unity like the planets circle round an orbit with the sun as the center. The revered name of the general stems from great perfect harmony and shines in the struggle advancing with the might of unity. It is also the banner of unity which enjoys immortality along with unity.

A number of revolutionaries have dignifiedly traversed the road of arduous and rigged revolution, cherishing the revered name of the respected and beloved general

deep in their hearts and firmly uniting around the general. The Korean communists—who have upheld the respected and beloved general as the sun of guidance—have resolutely struggled for unity and cohesion of our revolution with the general as the center like an angry tiger and resolutely defended the general devoting their all.

In the course of the struggle, the party's organizational and ideological foundations—which make it possible to consummate our revolutionary cause—have been firmly deepened, and our society has been changed into a great family.

As long as there are faithful fighters who defend with their lives the revered name of the respected and beloved general, our singlehearted unity based on one center and one ideology will be more firmly deepened. The revered name of the great general is the banner of creation and exploits. The people's wisdom and creative ability come from their struggles which are carried out with the courage obtained from the revered name of the leader [yongdoja].

For our people, the revered name of the great general is the source of inexhaustible might which can break through all sorts of trials and which can create only miracles and exploits. When one calls the revered name of the general, one can have the courage of creating something from nothing. When one hears the revered name, one can have the indomitable mettle of fighting one's way through mountains and moors.

The march of the speed battle—which unfolded the golden era of the Workers Party by reverberating the drumbeat of the revolution—and the revolutionary march—which firmly defended the socialist banner by smashing the enemies' vicious maneuvers—were the revolutionary marches which moved forward the future with the banner of this revered name.

We have firmly deepened the powerful socialist state of independence, self-reliance, and self-defending, calling the revered name of the respected and beloved general, and glorified our country as the socialist fortress which the people of the world behold with envy. Where the traces of the great general's noble leadership are engraved, great monumental edifices have been built like forests; and where a hand of the general is extended, the path of a watershed has been changed.

There is no people in the world who, like our people, are vigorously traversing the road of the revolution of 10 million-ri, following the party and the leader [suryong] and holding aloft the revered name of their leader [suryong], their leader [yongdoja], as the banner of faith, the banner of unity, and the banner of struggle.



Kim Il-song and Kim Chong-il—these great revered names are the soul of Korea, the life of the Kim Il-song nation, the banner of our struggle, and our eternal future.

Thanks to the revered names of the two great men, Chuche Korea, which casts rays to the world, is famous in the world as a country of great men, which demonstrated its dignified appearance; and our nation which is vigorously advancing in the van of the era of independence is a great nation which enjoys prosperity thanks to the revered names of the two men. Our cause—which is running toward a promising future of mankind—is also a glorious cause that is always victorious thanks to the revered names of the two men.

The image of the two men shines everywhere in five continents. The revered names of the two men are radiating brilliance to the hearts of the people who are carrying out the revolution and are leading them to victory and glory. A new spring for mankind, in which Kimilsongia and Kimchongilia are brought into full bloom, has come to our (?planet). This is an epochal event which is dignified and proud indeed.

Where is happy and dignified men, like the fighters and disciples, who are struggling, cherishing the dignity of the sun in their hearts, in the world? If one casts a slur upon the sacred and noble revered names even in the slightest degree, it would be a sin before history and mankind.

The intimate names which give hope and faith to us when we are in a difficult situation and [words indistinct]! Before the sacred red flags in which the great revered names are drawn, the people are making the oath that they will uphold the great leader Comrade Kim Il-song for 1,000 years and 10,000 years; uphold the respected and beloved General Kim Chong-il to the end of this world; and glorify the revered name of the sun generation after generation.

#### **DPRK: Anniversary of Kim Chong-il Guidance to Earth Station Marked**

*SK1503041896 Pyongyang KCNA in English  
0352 GMT 15 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — A meeting was held in Pyongyang on March 14 to mark the 10th anniversary of the on-the-spot guidance of the great leader Comrade Kim Chong-il to the Pyongyang earth station.

It was attended by Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and officials concerned.

Kim Hak-sop, minister of post and telecommunications, delivered a report.

The reporter said that comrade Kim Chong-il, who has always directed deep attention to the development of the post and telecommunications of the country, set forth a task to set up a modern earth station to meet the demands of the international communications development and solved problems arising in the construction. "Informed that the project was completed", the reporter added, "he went out to the site on March 4, 1986 and directed the work of the earth station".

The reporter further said:

The respected General Kim Chong-il went round the earth station equipped with latest facilities including the parabolic antenna and said that the utility rate of the station must be increased through an effective management and operation. And he indicated concrete tasks and ways to increase the level of the modernisation of communications facilities.

The general has indicated the road ahead of the communications service in each period of the developing revolution and shown deep loving care since he gave on-site guidance to the earth station.

He saw to it that a comprehensive base with the network of international mail, telephone, telex and fly [as received] services was set up and took concrete measures for the development of communications service, the reporter stressed.

#### **DPRK: Talk Stresses Communist Moral Obligation to Seniors**

*SK1503094796 Pyongyang Korean Central  
Broadcasting Network in Korean  
0900 GMT 14 Mar 96*

[Unattributed talk: "Our People's Lofty Moral Obligation Toward Seniors in the Revolution"]

[FBIS Translated Text] In his immortal classical work, "Respecting the Seniors of the Revolution Is the Lofty Moral Obligation of Revolutionaries," the great leader [yongdoja] Comrade Kim Chong-il clarified the importance and great significance of moral obligation in inheriting and consummating the popular masses' cause of independence, the cause of socialism, and elucidated a programmatic principle in establishing communist moral ethos and in developing noble moral obligation.

The great leader Comrade Kim Chong-il has indicated: The cause of socialism has advanced and was consummated through the process in which the young generation of the revolution inherits and develops, generation



after generation, the revolutionary achievements registered by the seniors of the revolution.

Respecting the seniors of the revolution is the demand of the revolution. It is also the lofty moral obligation that revolutionaries should have. The cause of socialism is the historic cause which is carried out generation after generation. And it is advanced and consummated through the process in which the young generation of the revolution inherits and develops the revolutionary achievements registered by the seniors of the revolution.

When the seniors of the revolution are respected and their revolutionary achievements are defended and developed, the revolution can advance victoriously. However, when the seniors of the revolution are neglected [choborigo] and their achievements are (?disregarded) the revolution is frustrated halfway. This is well proven by the fact that socialism collapsed at the hands of the betrayers of the revolution in the former Soviet Union and East Europe. Therefore, the matter of one's attitude toward the seniors of the revolution is precisely a matter regarding one's attitude toward the revolution, and is an important matter relating to the destiny of the revolution.

Our revolution — which opened a unique road to carry out the popular masses' cause of independence under the banner of the immortal *chuche* idea — has created and glorified the model of lofty and beautiful moral obligation from an early date.

The tradition of the communist moral obligation in our country was provided in the flames of the anti-Japanese revolution, and this tradition is being brilliantly inherited and developed today under the popular masses-centered socialist system of our country.

Our people are people who invariably uphold the respected and beloved leader Comrade Kim Il-song with their purest minds even after he has passed away, not to speak of when he was alive. There is no outstanding people in the world who, like our people, uphold with loyalty their party and leader [suryong], generation after generation, with a firm view on the leader and with noble moral obligation.

The respected and beloved leader Comrade Kim Il-song was the great leader whom our people met and upheld for the first time in the history of our country. He was the great man of great men who personified all features and talents that a great man can possess at the loftiest plane.

The great leader [suryongnim] who regarded the people as heaven infinitely loved and firmly trusted them. He devoted his all to the people's liberty and happiness. The proud history of our revolution, the dignity and honor of

socialist Korea, and all of the happiness that our people are enjoying today are closely linked to the leaders' [suryongnim] revered name, and these are a brilliant result of his great leadership. Not only this, the respected and beloved leader [suryongnim], as a veteran of the political circles of the world, gave strength and faith to the progressive people struggling for independence and, thus, made immortal contributions to mankind's cause of independence.

From an early date our people have upheld the respected and beloved leader Comrade Kim Il-song as a legendary hero, the sun of the nation, the great leader [suryong], and the great father. They have deemed it their supreme glory and the loftiest moral obligation to be loyal and dutiful to the leader [suryongnim]. Our people also highly respect those revolutionaries who have struggled for the *chuche* revolutionary cause under the great leader Comrade Kim Il-song's leadership.

The anti-Japanese revolutionary fighters are the proud, first generation of our revolution. They embarked on the road of fierce battles and bravely fought, holding arms in their hands, waiting for the day when our people could lead a happy life in a liberated fatherland. Thus, they smashed the Japanese imperialists and achieved the historic cause of national liberation.

Our party and people identify the anti-Japanese revolutionary fighters as the first seniors of our revolution and as the model of revolutionaries, respect them, and treasure their revolutionary spirit and struggle achievements.

The participants of the fatherland liberation war honorably defended the country's liberty and sovereignty by smashing the U.S. imperialists in fierce battles which determined the destiny of the country. This is why our party is dignifiedly proud of the immortal achievements that our soldiers and people registered during the fatherland liberation war and why our party has educated the young people and people of new generation to display the mass heroism and patriotic spirit that our soldiers and people displayed during the war.

The heroes, labor innovators, and forerunners of the Chollima movement in the great postwar Chollima upsurge period are dignified generations which effected a great upsurge in socialist construction by surmounting all sorts of difficulties in our revolution. Our people identify the heroes, labor innovators, and forerunners of the era of Chollima who built our country into a socialist state of independence, self-reliance, and self-defense in a short period of time following the war by carrying out the struggle for self-reliance and fortitude, as models of self-reliance.



In our country today, elder revolutionaries, war veterans, disabled veterans, meritorious people, intellectuals, and men of culture are leading a noble and rewarding life amid the party's love and care and amid the interests and special consideration of the society while continuing to bring the revolution into full bloom.

Loving, respecting and actively putting at the forefront revolutionaries loyal to the party, the revolution, the fatherland, and the people is our people's lofty moral obligation. Our people also fairly assess those historic figures who have left their names in the history of our nation and will hand down their achievements forever.

Under the correct politics and the wise leadership of the great leader [suryongnim] and the respected and beloved Comrade Kim Chong-il, our country excavated the tomb of Tan Gun, the originator of Korea, and splendidly rebuilt the tomb. Along with this, our country also outstandingly rebuilt the tomb of King Tongmyong, the originator of Koguryo, and the tomb of Wangkon, the originator of Koryo. Thus, the long history of our country is further shining in the era of the Workers Party.

Our people as genuine internationalists respect revolutionaries, anti-imperialist and antifascist fighters, progressive figures, and revolutionary people in all countries of the world regardless of country and nation and value their struggle achievements. Our people respect not only the leaders of the working class, but also the revolutionaries and people of all countries who have heroically struggled for the cause of socialism.

Our people do not forget the great revolutionary struggle of the people of different countries who have registered brilliant achievements in the accomplishment of the cause of socialism and highly assess their historic achievements. Our people treasure friendship and solidarity with the people of different countries in the world and have actively supported and encouraged the people struggling for socialism, the people struggling for the anti-imperialist cause for independence.

Our people have consistently adhered to internationalist principles and revolutionary obligation not only in party and state relations with socialist countries, but also in relations with all friendly countries and people. Our people invariably respect party and state leaders and prominent figures and friends in the political, social, academic, and press circles of many countries of the world with whom the great leader Comrade Kim Il-sung forged intimate relationship in his external activities. Our people also do not forget not only the revolutionary comrades-in-arms and fraternal people who helped our people when our revolution was faced with difficulties,

but also the people of all countries who support and encourage our people's just cause.

As mentioned above, our people's respect and moral obligation toward the seniors of the revolution cannot be thought of apart from the correct leadership of the great Comrade Kim Il-sung and the respected and beloved [kyongaehanun] Comrade Kim Chong-il.

The respected and beloved leader Comrade Kim Il-sung was the great human being who possessed the loftiest human love and warm love and trust toward the people, as his natural gift. He was the great father of our people.

The great leader [yongdoja] Comrade Kim Chong-il, following the noble ideology and virtues of the respected and beloved leader [suryongnim], is leading and looking after our people with the politics of love and trust, the politics of benevolence.

Our people's beautiful spiritual and moral ethos and their respect and moral obligation toward the seniors of the revolution were formed and developed and have reached today's lofty plane amid the benevolent bosoms of the fatherly leader [suryong] and the respected and beloved Comrade Kim Chong-il.

Thanks to the great features of the fatherly leader [suryongnim] and the respected and beloved Comrade Kim Chong-il and to our party's politics of benevolence, our people possess the noble moral obligation of loving comrades, respecting the seniors of the revolution, of being loyal to the party and the revolution, and of being devoted to society and collectives, and the genuine communist human relationship based on comradely unity and cooperation, love, and trust has been brought into full bloom in our society.

Indeed, the lofty moral obligation toward the seniors of the revolution which is highly exalted among our people has scientifically proven that the firm (?foundation) for building can be provided and people can possess lofty communist ethics and morality only in the revolution in which an absolutely great man, who is the model of moral obligation, is upheld.

Our people will, in the future, too, invariably display a lofty moral obligation in consummating the cause of socialism under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il.



**DPRK: Yodok County Citizens Praised for Using Substitute Fuel**

*SK1503104496 Pyongyang NODONG SINMUN in Korean 10 Feb 96 p 3*

[Report by Kim Hui-yong]

[FBIS Summary] "In Yodok County, which is located in a mountain area, people are proud to be using substitute fuel for their automobiles, tractors, buses, and wheeled equipment."

"All cooperative farms, plants, and enterprises in the county have consistently prepared resources for substitute fuel and set an excellent example in using substitute fuel."

"The county is located deep in a mountain hundreds of ri away from urban areas. Roads are steep and winding in the hills. Under such conditions, it was difficult to use alternative methods of transportation."

"County functionaries first built bases for producing substitute fuel and organized the work to generalize the experience in producing and utilizing the substitute fuel." The functionaries "also modified the structure of automobiles so that automobiles fully loaded with cargo could speed along hilly roads, and this gave people the confidence that transportation problems could be solved with substitute fuel."

The experience spread to plants, enterprises, and cooperative farms. "Last year, the county increased the transportation record 1.5 times more than the previous year. In the cold winter, the county continued producing substitute fuel on a large scale, and ran all automobiles in the county, thus, successfully guaranteeing the huge demand for transportation of goods needed for county management and farming preparations."

"Automobile transportation using substitute fuel is expected to grow even more this year."

"All cooperative farms in the county are producing substitute fuel in the spring, summer, autumn, as well as in the cold winter. All tractors, rice-planting machines, and weeding machines are emitting sounds indicating that they are in full operation with the substitute fuel."

"The use of substitute fuel increased two times more in plowing, three times in rice planting, and 2.5 times in weeding. Mechanization of farming increased four times. All cooperative farms in the county completed plowing last autumn using the substitute fuel."

All cooperative farms have completed the production of substitute fuel required for the new year's rice planting and weeding. Using the substitute fuel, "they have

spread 32 tonnes of compost on every rice paddy and 35 tonnes on every field."

The substitute fuel is also used for buses. People who are used to riding on trains are being welcomed by buses at the stations. Farm buses are operating normally in rain or snow on hilly roads 500 meters above sea level.

"The people of the county are proud of the farm buses which are running on substitute fuel."

**South Korea**

**ROK: DPRK Prevents IAEA Inspectors From Photographing Facilities**

*SK1403233996 Seoul KBS-1 Radio Network in Korean 2200 GMT 14 Mar 96*

[Report by Vienna-based correspondent Cha Man-sun]

[FBIS Translated Text] The inspection activities of North Korea's major nuclear facilities are facing a major problem.

The International Atomic Energy Agency [IAEA] said that, since September, its inspectors have tried to take pictures of frozen nuclear facilities in North Korea on two or three occasions in conformity with its agreement with North Korea. However, North Korean agents have prevented them from doing so.

IAEA experts said North Korea's refusal discolors the agreement between North Korea and the United States.

**ROK: KDI Estimates Post-Reunification Migration to ROK**

*SK1503010996 Seoul THE KOREA TIMES in English 15 Mar 96 p 9*

[FBIS Transcribed Text] More than two million North Koreans will migrate to the South after economic unification, according to Pak Chin, economist of the Korea Development Institute (KDI).

He said a conservative estimate would have about 2 million North Koreans or more than 8 percent of the North Korean population migrating to the South.

He said North Korea's migration workers might help South Korea's economy, but the migration will still be worrisome because of the unemployment problem. He said if wages do not decline during migration, employment will not expand and migrants will remain unemployed. This will mean the urban problem will be very serious, he said.



**ROK: DPRK Considers Renaming WPK  
'Kimilsongism Party'**

SK1503054496 Seoul CHUNGANG ILBO in Korean  
15 Mar 96 p 1

[Report by Tokyo-based correspondent No Chae-hyon]

[FBIS Translated Text] A Japanese Government source recently disclosed that North Korea may rename the current "Workers Party of Korea" [WPK] as the "Kimilsongism Party" on the eve of Kim Chong-il's ascension to power. Last January, North Korea named the "Kim Il-song Socialist Youth League" to replace the "League of Socialist Working Youth of Korea."

The source added: "It is my understanding that North Korea is already internally calling the WPK the Kimilsongism Party."

**ROK: Daewoo Investment in DPRK's Nampo  
Complex Completed**

SK1503055096 Seoul TONG-A ILBO in Korean  
15 Mar 96 p 2

[FBIS Translated Text] Investment in the facilities of the Nampo Industrial Complex, one of the major projects of North-South economic cooperation, reportedly was completed last year and the complex is in operation.

Kim U-chung, chairman of Daewoo Business Group, held a news briefing in Warsaw, Poland on 14 March, saying: "Investment in the facilities of the Nampo Industrial Complex was completed last year. Shirts, blouses, jackets, and bags produced here are being exported to the ROK, Japan, and the PRC."

Chairman Kim said that following the normal operation of the garment plant in the Nampo Industrial Complex, Daewoo will build another plant to produce television sets and home appliances.

Chairman Kim added that there are seven Daewoo employees posted to the Nampo Industrial Complex and Pyongyang. His remarks revealed the opening of the first ROK company office in Pyongyang.

**ROK: Investment 'Stagnation' Reason for Revising  
Najin-Sonbong Plan**

SK1503093896 Seoul CHOSON ILBO in Korean  
13 Mar 96 p 2

[By reporter Kim Yon-kwang]

[FBIS Translated Text] The stagnation of investment is the biggest reason why North Korea is wholly revising the Najin-Sonbong development plan after just four years. North Korea claims: "After the proclamation of the Najin-Sonbong free trade zone in December 1991, a

total of 120 projects were concluded and \$312 million was invested in the Najin-Sonbong region. However, it is being assumed that investment by foreign companies in this region amounts to only \$20 million.

North Korea's dream to "make the Najin-Sonbong Region the base of the world's economy including trade, exports, tourism, and finance by the year 2010" has succumbed to reality. Therefore, it seems that North Korea has changed its development strategy from luring large-scale investments to carrying out projects that can bring about results in a short time through processing-on-commission trade [imgagong]. The goal to lure investment in the industrial sector was \$3.6 billion but its goal was reduced by 10 percent. Also, priority was given to constructing large-scale export bases for development, but it was changed to activate the intermediate transportation and tourism industry. During the February Niigata meeting, Kim Ung-yol, vice chairman of the Committee for the Promotion of External Economic Cooperation, revealed the "revised plan to carry out the Najin-Sonbong development plan," which is to develop the intermediate transportation industry first by using the existing facilities; create an environment for industrial development through the tourism industry; and develop finance up to the international level. North Korea's efforts to "adapt to reality" can be clearly seen in the list of fields which it wants to lure, which was presented to the United Nations Industrial Development Organization. In 1993 North Korea greatly reduced and adjusted the amount of investment. It demanded that \$150 million be appropriated for a color television assembly plant, but this was reduced to \$15 million. Also, it demanded \$48 million be appropriated for investment for a semiconductor assembly plant, but this was reduced to \$10 million.

It seems that the reason North Korea actualized its development plan stems from the urgent recognition of the situation that it is falling behind in competition with China's Hunchun and Russia's Nakhodka and Zarubino, which are the center of the Tumen River Development Project (TRADP). The only strong point of the Najin-Sonbong region is that it has a superior port. On the other hand, it is being assessed that Hunchun, China does not have a sea exit and Russia's Zarubino Port facilities are weak.

However, recently, Russia has been accelerating work to expand Zarubino Port. The railway linking Hunchun and Russia's Krasnovskiy [name as transliterated] Port will be opened in June. The "worst-case scenario" awaits North Korea in which Russia is responsible for the sea transportation route linking the three northeastern provinces of China, the ROK, and Japan, and Hunchun is responsible for foreign capital which has a good



industrial location. A businessman carrying out business with the North said: "The new goal of luring \$430 million in foreign capital in the industrial sector, which North Korea has newly presented, does not equal even one of our conglomerate's foreign investment projects. It is upsetting that North Korea is insisting on walking such a difficult road by ignoring epoch-making reform measures."

**ROK: DPRK Appoints Vice Foreign Minister as UN Mission Chief**

*SK1503103296 Seoul YONHAP in English*  
*0733 GMT 15 Mar 96*

[FBIS Transcribed Text] United Nations, March 14 (YONHAP) — North Korea has reportedly decided to appoint Vice Foreign Minister Kim Hyong-u permanent representative to the United Nations, replacing Pak Kil-yon.

A diplomatic source here said Thursday that Pak reported the personnel switch during a recent meeting with ambassadors from nonaligned Arabic member countries of the world body.

Pak was quoted as having told them that he would return home between mid-April and early May and would be succeeded by Kim Hyong-u.

The source, who preferred to remain anonymous, declined to identify which Arab ambassador gave the information.

Pak, who was assigned to his UN post in February 1985, has reportedly been promoted to vice foreign minister.

The newly-designated mission chief, Kim, served at the UN representative office in 1985 and is known to have close ties with some American politicians.

**ROK: International Medical Exhibition in Pyongyang Canceled**

*SK1403104396 Seoul KBS-1 Radio Network*  
*in Korean 0000 GMT 14 Mar 96*

[Report by Berlin-based correspondent Yi Myong-u]

[FBIS Translated Text] The first international exhibition in North Korea slated to be held in Pyongyang in April has reportedly been canceled. The German International Exhibition Service Company, the sponsor of the exhibition in charge of arrangements for the international exhibition of medical equipment and pharmaceuticals, which was supposed to open in Pyongyang on 23 April, stated that the exhibition will not be held in April. By saying that the exhibition has not been canceled because of circumstances in North Korea, the International Exhibition Service Company hinted at some problems in

the course of preparing for the exhibition, such as the reception of applications for participating in the exhibition.

The German company said it will postpone the exhibition until early October and will hold it then without fail since North Korea intends to overcome its economic difficulties by holding the international exhibition.

Meanwhile, another German organization, which also plans to hold an international industrial exhibition in North Korea in October, has stated that over 1,000 companies asked it about the industrial exhibition but that it has not yet received any official application to participate in it.

**ROK: PRC 'Secretly' Resumes Sending Grain to DPRK**

*SK1503031696 Seoul SEOUL SINMUN in Korean*  
*15 Mar 96 p 2*

[Report by Ku Pon-yong]

[FBIS Translated Text] It was learned on 15 March that the PRC, which virtually suspended food aid to North Korea last year, has recently secretly resumed supplying hundreds of thousands tons of grain to North Korea.

Regarding this, a relevant ROK Government official stated: "The government has obtained information that the PRC has recently secretly resumed supplying corn, rice, and wheat flour to North Korea. The scale of supply is estimated to be hundreds of thousands of tons, and includes both credit and grant-type aid."

Last year, the PRC decided to suspend grant-type grain aid to North Korea pursuant to a resolution adopted at the Standing Committee of the National People's Congress due to the imbalance in the demand and supply of grain, which was caused by its own bad harvest and by an increase in food consumption. In addition, the PRC decided to ban grain exports.

A relevant government official stated: Prompted by bad harvests caused by flood damage and abnormal weather conditions that hit three northeastern provinces in 1994, and by an increase in consumption following a consistent expansion of income following economic opening up, the PRC imported grain from southeastern nations to make up some of its grain shortages. This being the case, if the report on the PRC's resumption of food aid is true, the aid must have been prompted by multilateral political purposes.

Concerning this, the official observed: "We should pay keen attention to the PRC's resumption of food aid to North Korea at a time when tensions between the PRC and Taiwan are heightened. It is likely the PRC is trying



to prevent North Korea, which has been engrossed over the last several years with efforts to improve its relations with the United States, from excessively leaning toward the United States, in a bid to keep North Korea within its sphere of influence."

He added: "On the other hand, the PRC's resumption of aid means North Korea's food shortages are all the more serious than what has been known to the world so far."

The official pointed out: "The PRC is worried about the possibility of having to bear the burden of an exodus of North Korean defectors to the PRC if the Kim Chong-il system collapses in North Korea. In addition, the PRC does not want to see the balance of power in Northeast Asia and on the Korean peninsula broken due to a collapse of the North Korean system."

#### **ROK: Two PRC Fishing Trawlers Seized for Violating Korean Waters**

*SK1503011196 Seoul YONHAP in English  
1148 GMT 14 Mar 96*

[FBIS Transcribed Text] Tongyeong, March 14 (YONHAP) — Two Chinese trawlers with 26 fishermen aboard were seized by the maritime police near here Thursday morning for violating the Korean territorial waters.

A source at the Tongyeong Maritime Police said 157-ton Royoung Nos. 2143 and 2144 were captured eight miles south of Yokji-to Island, Tongyeong around 10:25 AM [0125 GMT].

A preliminary investigation showed that the two boats had been catching fish in the high seas 40 miles South of Sori-to Island, South Cholla Province beginning last March 10 before they intruded into Korean waters in pursuit of better fish-catch.

The maritime police sought arrest warrants against the skippers of the two vessels and were holding the remaining fishermen at their respective boats.

#### **ROK: Political Parties Warned Not To Ignore Asian Security Issues**

*SK1503022196 Seoul THE KOREA TIMES in English  
15 Mar 96 p 2*

[Report by political editor Chong Un-pong; from the "News in Review" column: "Parties Ignore Security Issue in Campaigning Despite Taiwan Strait Crisis"]

[FBIS Transcribed Text] Foreign Minister Kong No-myong is set to visit Beijing and Washington next week to discuss a host of bilateral issues and the overall situation in Northeast Asia. His visit is timely because

by that time there will be some lead to how the near-war situation in Taiwan Strait will end up.

There are few who believe that the current war game played by Beijing will evolve into a real war. But the threatening military exercises are not to be dismissed as a mere show of force.

Hong Kong is set to go back to China next year after a hundred years of being humiliatingly "leased" to the United Kingdom, a cause for Beijing to celebrate.

However, Taiwan shows signs of drifting further away from the pull of China toward independence.

Beijing may have felt a need to react, even through military force, to stem the drifting before it is too late.

President Li Teng-hui, who angered Beijing last year by visiting the United States, is campaigning hard for the presidential election on March 23, the first direct popular presidential election in Chinese history.

In appearance, he is undeterred by the threatening military exercises, which will continue at least until the March 23 presidential election. Even if he wants to compromise, he can not afford to appear intimidated at this time when the presidential election is only about a week away.

Li is Taiwanese, and his popularity is on a sharp rise as he undauntedly takes Beijing's threats in stride. This well shows that the military exercises designed to scare Taiwan is not succeeding for now.

On the contrary, it is more likely that the military drills will result in galvanizing Taiwan's resolve to determine its future on its own, undeterred by any outside threats.

Though arguable, military experts say an invasion of Taiwan would not be successful. If ever Beijing went through with it, it would pay a high price. In this context, Beijing will have more to lose than gain if it fails to browbeat Taiwan into making visible "concessions."

At present, there is no sign of Taiwan being cowed. Rather, it is responding in kind, firing locally-developed missiles and stepping up air and naval patrols. The high military tension is likely to linger on.

President Jiang Zemin in Beijing may have more agony if he wraps up the war game in the absence of any weakened Taiwanese resolve because of possible in-house backfire.

Jiang is virtually the leader now that Deng Xiaoping is senile and near death. Timed with Hong Kong's return, he may want to see his own era unfold in an auspicious and grand manner befitting what China deserves.



In his eyes, Taiwan remains "recalcitrant." Beijing wants to send a clear message that it will not tolerate an independent Taiwan.

As things stand, Beijing and Taipei have no escape route, protracting the military tension in the Taiwan Strait, which may have a rippling impact on the rest of Northeast Asia.

Fortunately, wire reports indicated that Beijing made it clear it would not invade Taiwan. And Taipei is said to be sending signals of giving dialogue a chance for peaceful settlement.

No sooner had Beijing started firing missiles to areas near two Taiwanese port cities, Keelung and Kaohsiung, when North Korea renewed its offer for direct talks with the United States to replace the armistice agreement on the Korean peninsula.

It then threatened to take action if its offer was rejected. There is no knowing if North Korea was emboldened by Beijing's military gambit against separatist Taipei.

Anyway, at no place in the world has security remained so tense for so long a time as it has along the 155-mile military demarcation line dividing South and North Korea.

But political parties, ruling and opposition alike, gloss over the stark reality, milling out whatever pledges they can think of to attract votes, even at the expense of possible danger to national security.

The ruling New Korea Party promised to shorten the compulsory military service period from the present 26 months to 24 months. The major opposition National Congress for New Politics is not any different, trumpeting a similar pledge.

The pledge will undoubtedly appeal to the youths on the waiting list for conscription and their parents.

Against the backdrop of a volatile security situation due to abject poverty in North Korea and high tension in the Taiwan Strait, the campaign pledges of the political parties are so out of line as to doubt if they possess the wisdom and competence required to steer the nation.

#### **ROK Minister To Urge PRC To Settle Taiwan Crisis Peacefully**

SK1503091496 Seoul YONHAP in English  
0838 GMT 15 Mar 96

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — Foreign Minister Kong No-myong reiterated South Korea's hope that the tension in the Taiwan Strait will be settled through peaceful dialogue Friday, and added that he will urge China to follow that course when he

meets with Chinese Foreign Minister Qian Qichen in Beijing next week.

"I will discuss the matter with Chinese Foreign Minister Qian Qichen when I meet with him in Beijing next week," Kong said while speaking at a luncheon hosted by the Korean Council on Foreign Relations at the Lotte Hotel. Kong was discussing the international political situation and Seoul's diplomatic policies toward North Korea.

Kong did not want to elaborate on the topics that will be discussed at his meeting with the Minister Qian, and explained that it would violate diplomatic protocol.

The foreign minister stressed the need for South Korea to maintain not only economic, but also political and security dialogue with China, and pointed out that China is a major regional power which has a great deal of influence with North Korea.

China is now in a unique position having maintained close relations with North Korea for such a long time, while also fully engaged diplomatically and economically with South Korea since 1992, he said.

"In this context, China is in a position to play a leading role in the opening and restructuring of North Korea," Kong said.

Kong said, however, that he was not certain what the Chinese leadership thinks about it.

"The dilemma for North Korea is that such openness and restructuring could threaten the North Korean regime itself," Kong said. "Therefore, North Korea seems to be pursuing controlled change through improved relations with the United States and other Western countries."

Although peaceful reunification on the Korean Peninsula is possible if North Korea is willing to participate in the international community and hold direct inter-Korean talks, such "engagements" should be "constructive" and help improve relations between Seoul and Pyongyang, Kong said.

"Otherwise, unprincipled North Korean engagements by the United States and other Western countries will only strengthen North Korea's position and destabilize the Korean Peninsula without getting at the root of the North Korean issue," he said.

Kong acknowledged, however, the role of the United States as the world's military "equalizer," which was clearly demonstrated during the Taiwan Strait crisis. "Maintaining a strong military deterrent is the surest way for South Korea and the United States to trigger change in the North."



### **ROK President Stresses Combat Readiness to Academy Graduates**

*SK1503065396 Seoul YONHAP in English  
0630 GMT 15 Mar 96*

[FBIS Transcribed Text] Chongju, March 15 (YONHAP) — President Kim Yong-sam on Friday urged North Korea to renounce its military adventurism and join the South in its effort to achieve prosperity for all of Korea.

While speaking at the Korean Air Force Academy commencement, the commander-in-chief pointed out that the communist country has continued its military build-up in spite of severe economic difficulties and political unrest.

"I earnestly suggest that North Korea open its doors to international cooperation and exchange, and I believe this is the only way for the North Koreans to overcome their present hardships."

President Kim noted that North Korea recently moved its combat aircraft to bases near to the Demilitarized Zone in preparation for a surprise attack on the South, and stressed that the South Korean Armed Forces must be fully prepared for every emergency so that the nation's defense posture has no weaknesses.

The Air Force in particular, cannot show even the slightest loophole in its air defense system, and always be fully prepared to repel an air attack, he added.

If South Korea is ever engaged in a conflict in the future, the outcome will be determined by sophisticated intelligence and weapons systems. A state-of-the-art Air Force would, therefore, play a decisive role in its military strategy, the president said.

After the ceremony, Kim visited the international airport construction site in Pukil-myon, Chongwon County, to encourage the workers.

### **ROK Political Parties Wage 'War of Words' Over Political Donations**

*SK1503011096 Seoul YONHAP in English  
0907 GMT 14 Mar 96*

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — With the legal campaign period for the general elections 10 days away, the government and opposition parties waged a war of words Thursday about the political funds they have allegedly collected over the years.

Rep. Yu Chun-sang of the major opposition National Congress for New Politics (NCNP) provoked a heated exchange of criticisms and slanders between rival po-

litical parties by openly claiming Tuesday (12 March), apparently out of his resentments over the party's refusal to nominate him in the elections, that his party had requested from him a 2 billion-won donation in return for a nomination.

Yu's accusation prompted both the ruling New Korea Party (NKP) and the minor opposition Democratic Party (DP) to take aim at the NCNP Thursday, by demanding that NCNP President Kim Tae-chung disclose the political contributions he received in exchange for nominations.

In reaction, the NCNP opened fire on the two parties, arguing that advisor Yi Ki-taek of the party embezzled political donations received by his party during the 1992 general elections when he was the party leader, and demanding that law enforcement authorities immediately begin an investigation to determine whether or not President Kim Yong-sam received money from former President No Tae-u for his 1992 presidential campaign.

NCNP spokesman Kim Han-kil claimed that it is a well-known fact that Yi embezzled the political donations he received as DP leader for the 1992 parliamentary elections.

Kim also claimed that the NCNP has documented evidence that proves No gave 300 billion won to Kim Yong-sam when he left the former ruling Democratic Liberal Party on Sept. 18, 1992.

The NCNP spokesman demanded that President Kim Yong-sam disclose how much he received from No and that he immediately be investigated. He took note of a press report which quoted No Chae-hon, a son of former President No Tae-u, as having said that his father gave Kim Yong-sam "as much money as he needed" for the 1992 presidential electioneering.

DP advisor Yi dismissed the NCNP claim as totally groundless, and warned he would take legal action against the NCNP for "defaming" him. "It's true that I and Mr. Kim Tae-chung received political donations during the last general elections, but I didn't use one penny for my own personal interest. Maybe Mr. Kim embezzled part of the fund."

Yi went on to call the claim a cheap trick, and said "Tomorrow I'll shed light on the exactly how the party nominated candidates for the last parliamentary election."

The ruling party joined Yi in attacking the main opposition party. Kim Chong-yon, deputy spokesman of the NKP Campaign Committee, said, "With Rep. Yu's revelation that NCNP leadership Committeeman Kwon No-kap had requested that he make a nomination



donation of 2 billion won, there is no room to doubt that NCNP President Kim Tae-chung has made nomination deals. Given the huge amount of donation requested of the four-term lawmaker, Kim's nomination deals must have involved an astronomical amount of money."

Meanwhile, No Chae-hon denied the remarks attributed to him about his father giving money to president Kim Yong-sam for his 1992 presidential campaign.

He told reporters that when he had been asked by a reporter recently about the money his father used for the 1992 presidential election, he just replied, "I don't want to talk about it."

**ROK: Kim Tae-chung Nominated To Run as National Electoral Candidate**

SK1503034296 (Internet) The Chungang Ilbo WWW in English 15 Mar 96

[FBIS Transcribed Text] Kim Tae-chung, leader of the main opposition National Congress for New Politics (NCNP) has decided to run as a national electoral candidate in the upcoming 15th general elections.

NCNP held a plenary session on election measures on the morning of Thursday March 14 at its headquarters in Seoul, and held a secret vote to decide whether or not Kim should be nominated to run as a candidate from a national electoral district. Six out of 25 voted against and 19 for his candidacy, cinching his nomination.

**ROK Appoints Om Nak-yong 2d Deputy Finance, Economy Minister**

SK1503011396 Seoul YONHAP in English 1018 GMT 14 Mar 96

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — The government on Thursday appointed Om Nak-yong, director of National Tax Tribunal, as second deputy finance and economy minister.

Om succeeds Sin Myong-ho as the deputy minister, who has recently been chosen as president of the Housing Bank.

The new deputy minister joined the Finance Ministry upon graduation from Seoul National University and had held such key posts as the ministry's planning and budget officer, finance attache at the embassy in Geneva and taxation deliberation officer.

**ROK: Cost of Reunification Projected at 10 Percent of GNP**

SK1503040396 (Internet) The Chungang Ilbo WWW in English 15 Mar 96

[FBIS Transcribed Text] The financial burden the South Korean government has to assume when the Korean peninsula becomes united is projected to reach 10 percent of the Gross National Product (approximately 35 trillion won by 1995 standards).

This has led to suggestions that a gradual form of unification is more desirable than German style of rapid re-unification. It was also pointed out, however, that various economic structures must be subject to internal shock therapy for rapid reforms in order to induce capital and technology to North Korea in a speedy manner.

The Korea Development Institute and German Economic Institute made the statements at a jointly sponsored academic seminar on 'Economic Evaluation of German Unification and its Significance for the Korean Peninsula' held on March 14.

**ROK Interested in Development of Alaskan Gas Reserves**

SK1503030096 Seoul THE KOREA HERALD in English 15 Mar 96 p 8

[FBIS Transcribed Text] Korea has expressed active interest in taking part in the development of Alaskan gas reserve at the latest Korea-U.S. energy talks in Washington D.C., energy officials here said yesterday.

The Ministry of Trade, Industry and Energy has dispatched delegates to the working-level talks held on Wednesday U.S. time [13 March]. The outcome of the one-day meeting is yet to be announced.

Korea Gas Corp. [KGC] has been contacting Yukon Pacific Corp. of the United States since 1990 with the intent of playing a role in the Alaskan gas project, said the ministry.

So far, not much has materialized and the project itself has reportedly been postponed. But that apparently hasn't deterred the KGC's intent for participation.

"Korea is most interested in knowing the present state of the project," said a ministry official.

Other points of interests included Korea's request for lower U.S. coal import prices and the removal of a regulation which requires the use of U.S. carriers in importing Alaskan crude oil.



The officials were also said to have discussed general ways of broadening bilateral cooperation in the energy sector.

**ROK: Business Achievements for 1995 of 458 Companies Reported**

*SK1503033996 Seoul YONHAP in English  
0212 GMT 15 Mar 96*

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — Samsung Electronics Co. retained its position as the nation's top profit-maker in 1995, raking in 2.5 trillion won (3.2 billion U.S. dollars) in net profits on the strength of its brisk semiconductor business.

This was part of a report released by Chohung Securities Co. on the business achievements of 458 companies listed on the stock market that had completed their 1995 financial statements by the end of February.

The runner-up was Korea Electric Power Corp. (KEPCO) with 910 billion won, followed by Pohang Iron and Steel Co. (POSCO) with 839 billion won, Korea Mobile Telecom with 180 billion won, Hyundai Motor Co. with 156 billion won and Sinhan Bank with 132 billion won.

Korea First Bank, which was ranked as one of the 10 largest profit-making businesses in 1994, was not even rated among the top 50 this year, due to bad loans and stock market losses.

Samsung Co. was at the top of the sales list with 19.25 trillion won, followed by Hyundai Corp. with 16.74 billion won, Samsung Electronics with 16.18 trillion won, Daewoo Corp. with 15.02 trillion won, the LG International Corp. with 10.44 trillion won, Hyundai Motor Co. with 10.33 trillion won, KEPCO with 10.01 trillion won and POSCO with 8.21 trillion won.

The report said that the 458 companies had a total of 302.93 trillion won in combined sales last year, up 25 percent from 1994.

Their aggregate pre-tax profits were up 21.8 percent to 10.12 trillion won and after-tax profits were up 36.9 percent to 7.92 trillion won from 1994.

The manufacturing sector enjoyed a 22.1-percent expansion in sales and a 58.7-percent increase in net profits, while the non-manufacturing industries saw a 28.5-percent increase in sales and a 7.7-percent decline in net profits.

The retail-wholesale industry recorded a 35.5-percent increase in sales, thanks to a surge in exports by the trading companies of large business groups, and an increase in the number of pages newspapers print led

to a 30.5 percent increase in the paper and publishing industry's sales.

The food and beverage industry recorded a 9.7-percent increase in sales.

**ROK: Net Profit of Government-Run Enterprises Increases in 1995**

*SK1503102396 Seoul YONHAP in English  
0729 GMT 15 Mar 96*

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — The combined net profit of 19 government-run enterprises for 1995 increased 8.5 percent from 1994 to 2.45 trillion won (about 3.1 billion U.S. dollars), the Ministry of Finance and Economy said on Friday.

The net profit of the Korea Land Development Corp. rose by 131.5 billion won last year or 617.6 percent from 1994 to 152.7 billion won to claim the highest growth of all government-run enterprises.

In absolute amount, the Korea Electric Power Corp. remained leading the list with 910 billion won, up 3.2 percent.

The Korea Gas Corp (KGC)'s grew 42.7 percent or 62.3 billion won to 207.2 billion won while the Korea National Housing Corp. which recorded 189.3 billion won worth net profit last year, up 58.6 billion won or 44.8 percent from the previous year. The Korea Water Resources Corp. earned 62.8 billion won, up 179.9 percent or 40.4 billion won from 1994.

In contrast, Korea Telecom's dropped 208 billion won or 33.2 percent from 1994 to 419 billion won. Korea Security Printing and Minting Corp.'s fell 43.6 percent or 3.06 billion won to 3.97 billion won.

The Korea Tobacco and Ginseng Corp.'s net income also fell by 4.8 billion won or 2.3 percent to 206.5 billion won.

The government will be paid an aggregate 298.7 billion won in dividends by 10 of the corporations.

**ROK: New, Broader National Defense Concept Recommended**

*SK1503015696 Seoul THE KOREA HERALD  
in English 15 Mar 96 p 3*

[Report by staff reporter Kim Chi-su: "China-Taiwan Tension a Lesson to South Korea: Nation Needs New Defense Concept, Strong Blue-Water Navy"]

[FBIS Transcribed Text] The mounting tension between China and Taiwan, with Chinese missiles fired on Taiwan's doorstep, concerns some Korean businessmen



and diplomats. But many other South Koreans, however, seem to be rather indifferent after China reportedly signaled that it does not intend to invade Taiwan.

But can they afford to stay apathetic? South Koreans, surrounded by military powers, should begin to give second thoughts to the existing notion of national security as mere defense from the threat from North Korea. It's time to think about the nation's defense capability as a unified Korea, military sources say, adding that South Korea needs, above all, a strong blue-water Navy.

Beijing's tough reaction to Taipei's move toward independence shows in a sense that China's military muscle is by no means a matter of indifference to neighboring countries, including South Korea.

What appeared in the military tensions in the Taiwan Strait included missiles, fighters, destroyers, submarines and U.S. carrier battle groups with terrible attack capabilities.

With the demise of the Cold War, the security relations among nations, like other relations, are changing rapidly. And the tension in the Taiwan Strait may serve as an occasion to prompt Asian nations to begin military buildup, a military source in Seoul said yesterday.

So now there's a need to review the military power of neighboring countries.

While the potential military threat of the former Soviet Union has sharply declined in recent years in the Asia-Pacific region, China has been strengthening its military buildup.

Beijing plans to build two aircraft carriers in several years, while Japan which already has a formidable naval power, can also afford to upgrade its forces.

Since the end of the Cold War, China, which maintains nearly 3 million troops, has put an emphasis on national security and growth of its national power by strengthening its military capability. Thus it has been increasing its military spending by more than 10 percent every year, and focusing on qualitative improvement of its forces, especially its navy and air force.

According to China experts in Seoul, Beijing maintains its basic strategy of securing a more influential position in the region and absorbing Taiwan. Focusing on constructing a military capability strategically required to attain these goals, China has also been trying to enhance its international influence.

Since it has improved ties with Russia, China has introduced advanced weaponry including SU-27, MiG-29 and MiG-31 fighters and T-72 tanks.

Following the lessons learned from the Gulf War, China has been improving its capability to project its forces overseas through promoting the development of advanced weapon system and the construction of aircraft carriers. It has also improved its conventional and nuclear capability.

Japan, though it has a relatively small force of 237,000 troops, is a potential military power and already has a strong military, especially its navy and air force. Its acquisition of F-15 fighters, Aegis destroyers and AWACS indicates the high-tech nature of its force.

Japanese Maritime Self-Defense Force has 63 destroyers, including two Aegis, and 18 submarines, compared with Korea's 16 old destroyers and three medium-sized submarines.

Japan also has 98 antisubmarine surveillance aircraft, which are called the eyes and ears in sea operations, while South Korea has only eight P-3C aircraft.

Japan is capable of building an aircraft carrier, while it now has all the other types of naval forces to constitute a carrier battle group.

South Korea's Navy has 60,000 soldiers, less than 10 percent of the nation's 655,000 troops.

South Korea has 385 fighters compared with Japan's 290. The figure, however, includes 180 F-15s, known as the best fighter in the world, in the Japanese Air Self-Defense Force, and 60 F-16s in the South Korean Air Force.

Japan has 10 E-2C early warning aircraft, while South Korea has none.

South Korea, with 540,000 Army soldiers, surpasses Japan in ground forces. But in some cases, like in the dispute over the rocky islets of Tokto in the East Sea [Sea of Japan], the number of ground forces often doesn't have serious meaning.

In this consideration, South Korea needs stronger Air Force and Navy, especially a blue-water Navy, a Navy source said.

"A strong Navy is a good diplomatic means, and countries that don't have one will have a weak point," the Navy source said.

"As South Korea's trade volume soars up, the sea lanes are becoming more and more important to the nation's economy, and protection of the sea lanes is vital," said the source who wanted to remain unnamed.

He said that "we should turn from a coastal to a blue-water Navy and the nation needs to become a sea power



and I wonder if our leaders really have the slightest idea about it."

He further said that "as building a strong Navy requires money and time, long-and mid-term projects to create one should be launched immediately, but nobody seems to be in a hurry."

Some Navy officers even suggested South Korea should have an aircraft carrier.

"China is building two aircraft carriers, Thailand will soon have a Spanish-made aircraft carrier, and Japan can afford to build one any time," a Navy major said.

"It costs a lot to build and maintain an aircraft carrier, but the nation should at least have an intention to have one in the future, in preparation for the era of a unified Korea," he said.

He went on to say that "what matters here is not an aircraft carrier or lip service, but the national will to have a strong Navy, and only when we have one, can we protect our national interest which will ever expand and grow."

The major said that "we could learn a lot from the two Russian aircraft carriers which a South Korean firm has purchased from the Russian Pacific Fleet." He was referring to the Minsk and Novorossiysk, which Russia has sold to a Korean firm, Young Enterprise, on condition that the two Soviet-era aircraft carriers, which had engine troubles, be dismantled and turned into scrap iron. One of the two retired carriers is anchored in a naval base in Pohang and the other in Chinhae, waiting to be dismantled.

Since the Korean War, South Korea has leaned heavily toward the Army with the defense notion centered on preventing renewed aggression from North Korea.

But now it is time for the nation to expand the defense concept from the peninsula to a wider region, as many defense sources suggest.

#### **ROK: Prosecution Plans To Question Chon's Defense Attorney**

*SK1503040196 Seoul YONHAP in English  
0246 GMT 15 Mar 96*

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — The Seoul District Prosecutor's Office is going to summon Chon Sang-sok, a defense attorney for former President Chon Tu-hwan, Friday afternoon for additional questioning about the alleged correspondence between Chon Tu-hwan and his successor No Tae-u in prison.

In previous questioning lawyer Chon denied ever saying that the two former heads of state had exchanged letters

in January urging each other to take a united stance in trials related to the Dec. 12 and May 18 incidents.

The MUNHWA ILBO and several other dailies reported over the weekend, quoting the lawyer as saying that Chon and No agreed through their correspondence to take a firm stance during their trial.

The Seoul District Prosecutor's Office plans to question the lawyer the second time, with the MUNHWA ILBO reporter who wrote the story present.

Even though he has denied making the statement in question, lawyer Chon has reportedly acknowledged that he had a brief conversation with a group of reporters in his office last Saturday.

#### **ROK: TV, Radio Company Workers Decide To Support MBC Strikers**

*SK1503040296 Seoul YONHAP in English  
0243 GMT 15 Mar 96*

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — Unionized employees at three major television and radio broadcasting companies decided Friday to go on strike to show solidarity with unionists of Munhwa Broadcasting Corp. (MBC) if police intervenes in their strike.

The preparatory committee for setting up a "unified broadcasting trade union," comprising the unions of the Korea Broadcasting System (KBS), Christian Broadcasting System, Education Broadcasting System and MBC, made the decision at a meeting Thursday.

KBS' trade union held an emergency central committee meeting late Thursday and decided to form an emergency committee to collect members' opinions on whether to proceed with the combined strike.

Meanwhile, 873 members of MBC's trade union walked off the job early Thursday morning and continued their strike through Friday, demanding that the network's board of directors rescind the reelection of MBC President Kang Song-ku.

The union has accused Kang of using his influence as MBC chief to broadcast news reports biased in favor of President Kim Yong-sam and the ruling party.

At the network's Yoido headquarters Friday morning, the union held a meeting to discuss measures in the event that police troopers move into the MBC building to break up the strike.

The MBC early morning program "News Today," which originally runs for 110 minutes, was shortened to 60 minutes Friday morning, as its anchorpersons and reporters joined the strike. A documentary was broadcast to fill in the remaining 50 minutes.



## Burma

### Burma: Netherlands Radio Reports Jamming of VOA Transmissions

LD1403141596 Hilversum Radio Netherlands  
in English 1150 GMT 14 Mar 96

[FBIS Transcribed Text] [Announcer Diana Jansen] There's been a change in the jamming situation in Asia again. On the line from Colombo, Sri Lanka, our media correspondent, Victor Goonetilleke:

[Goonetilleke] Well, Diana, the Voice of America's Burmese service is again being jammed. And we observe the Burmese service 1130 to 1230 UTC on five frequencies, that's 11840, 6030, 15140 and 9505 kHz on shortwave, and medium wave 1575. The [word indistinct] authorities started jamming the broadcast about three weeks ago and we hear the jamming on two frequencies only and these happen to be the strongest shortwave frequencies. They are 11840 and 6030 kHz. [jamming sound heard] It's somewhere between a fast-modulated RTTY and the Middle Eastern wobble-jammer. The jamming commences any time between 1130 and 1200 hours UTC and usually goes on until about 1220 UTC. Unfortunately, we cannot observe the medium wave channel 1575, so we are not sure about that. However, I feel that the Burmese or the [word indistinct] authorities have only two transmitters for jamming.

[Jansen] And do they continue to jam the Burmese opposition radio broadcasts that come from Norwegian shortwave transmitters?

[Goonetilleke] That's the funny thing, Diana. The opposition station, the Voice of Democratic Burma, who are coming from Norway unjammed, and so are the transmissions from the BBC and also the Tehran National Union Station on 6355 kHz. So the jamming is aimed only at the Voice of America, and we are quite puzzled, but the jamming is quite evident and it's not a stray jammer landing on VOA because on two frequencies, that's 11840 and 6030, both frequencies have the jammer.

### Burma: Suu Kyi Comments on 'Restriction' of Movement

BK1503113396 London BBC in Burmese  
to Burma 1345 GMT 14 Mar 96

[FBIS Translated Excerpt] Dear Listeners: Daw Aung San Suu Kyi is reviewing plans to visit Mandalay after authorities barred her and other senior NLD [National League for Democracy] leaders from boarding a train to Mandalay last night.

Aung San Suu Kyi today says barring her from traveling means her existing freedom as a Burmese citizen has been restrained. She also added that the military authorities told her that she was released unconditionally. Yesterday's incident shows that the military authorities

have backed away from what they said earlier. Marcia Pu, head of the Burmese Service, comments on the incident as follows:

The purpose of Aung San Suu Kyi, U Tin U, and U Kyi Maung's trip to Mandalay is to give evidence at a trial of two NLD supporters and two comedians, who were arrested for mocking [the military] at the Independence Day Celebration dance held at Aung San Suu Kyi's compound in January. Yesterday, Aung San Suu Kyi and U Tin U, and U Kyi Maung arrived at the Rangoon Railway Station to depart for Mandalay on the evening train but authorities told them that their train carriage had a mechanical problem. When Daw Kyi Kyi May from the BBC questioned Aung San Suu Kyi today, she said she did not believe the explanation that was given by the authorities.

[Begin recording] [Suu Kyi] They said our carriage was detached because of a faulty mechanism [preceding word rendered in English]. Actually, this was done because they didn't want us to travel.

[May] Didn't you ask the authorities to move you to another carriage?

[Suu Kyi] Yes, we did. We even asked whether we could travel on other carriages without being seated. They said no.

[May] Yes, this means that they didn't want you travel at all, doesn't it?

[Suu Kyi] Yes. We decided to go to Mandalay because U Pa Pa Lay has asked for U Kyi Maung and I to be called as witnesses, while U Lu Zaw U listed U Tin U and U Win Htein as witnesses. According to the law, people who have been accused must have a right to call whoever they want as witnesses. It shows, and it is our view, that there is no prevalence of law and order. If there is, then people who have been accused must have the right to call whoever they want as witnesses, and the witnesses must be able to travel any time they want. The witnesses must also have the right to prepare their accommodation in case the court summons them to give evidence.

[May] So, do you have future plans to go to Mandalay?

[Suu Kyi] We will say so when the time is right.

[May] We have learned that you were released unconditionally from house arrest. Why do you think there is a restriction on your freedom of movement like this?

[Suu Kyi] Because they don't keep their word. I have been restricted from traveling now, after they said I'm released unconditionally. It shows words and deeds don't go together. [end recording] [passage omitted]



**Brunei, Malaysia & Singapore****Malaysia****Malaysia: Review Board Report Says Bakun Dam Project Safe***BK1503100296 Kuala Lumpur THE STAR in English 15 Mar 96**[Report by Leslie Lau — received via Internet]*

*[FBIS Transcribed Text]* Kuala Lumpur — An independent review of the Bakun dam project has concluded that the design is "inherently safe," said Energy, Telecommunications and Post Minister Datuk Leo Moggie.

When releasing the report yesterday, he said the review board comprising independent local and foreign experts had also found the hydrology, geology and site topography favourable for a major hydro development.

He said the Bakun review board was set up by the government to study and monitor the safety of the dam project, stressing that its members were selected based on their individual track records in dam building.

Among other matters, the 23-page report also concurred with the selection of the concrete face rockfill dam for Bakun stating that "the design is based on experience and is rather standard."

The consultants also found the project layout and selection of structures conformed to current practice and provided for a satisfactory power project.

Moggie said the construction contract for the dam would be awarded by the middle of the year and actual work would start by the end of the year.

Refuting criticisms that the project was not cost-effective, Leo Moggie reiterated that "Bakun is still the least costly power generating development."

"The advantage of hydro power is the low operating cost compared to thermal power, which incurs high fuel costs.

"You cannot compare because the power purchase agreement has not been signed yet," he said.

To a question, Moggie denied that there were problems in the negotiations of the power purchase agreement between Ekran and Tenaga Nasional Berhad [National Electricity Corporation].

"The details have not been agreed upon yet. The price per unit is still being negotiated," he said.

On the laying of submarine cables to Peninsular Malaysia, he also dispelled fears of any risks, saying that three sets of cables would be laid.

"We have reduced the risk because if something goes wrong with one (cable) we still have two more," he said adding that the cables would also be buried in the seabed.

Moggie said transmission loss in the submarine cable was not a problem because it was minimal at seven per cent compared to eight or nine per cent for Tenaga Nasional's land lines.

"Technology has improved and indications are that the percentage might even be lower," he said.

He said the release of the report yesterday reflected the government's openness but added that it was not possible to release all feasibility studies as requested by non-governmental organisations.

Besides the three foreign consultants from the United States and Venezuela, the other members of the review board were Public Works Department director of water supply Datuk Mohamed Haris Abas and Irrigation and Drainage Department director of planning and evaluation Liew Chin Loong.

**Malaysia: Mahathir's Visit, Ties With Australia Previewed***BK1503111096 Kuala Lumpur Voice of Malaysia in English 0810 GMT 15 Mar 96**[Station Commentary]*

*[FBIS Transcribed Text]* A most extraordinary thing is about to happen to Malaysia's international relations. Through press conferences in Canberra, Australia has announced that Prime Minister Datuk Sri Dr. Mahathir Mohamed is about to become the first foreign leader to visit Australia since that country's new government was elected.

Dr. Mahathir, in fact, is scheduled to make two visits to Australia. Firstly on his way to New Zealand, Dr. Mahathir will stop in Darwin where he will meet new Foreign Minister Alexander Downer, and on his way back he will make another stop in Brisbane to see newly-elected Prime Minister John Howard. The visit was sealed after Howard's special envoy (?Richard Woolcod), paid a visit to Dr. Mahathir.

Prime Minister John Howard has obviously answered a lot of questions about his government when he made the announcement. Previous to that a lot of negative things have come up about Australia's relations with its Asian neighbors now that the Conservative-National government is in power.

One of the most serious questions that rose during Australia's election was indeed its future relations with



Asia, with some quarters openly saying that Howard will shift Australia's outlook back to Europe. The media speculation on Howard's first international move was in test as his decision would be an indication to the way Australia will move internationally.

All questions and speculations have finally been answered and the enthusiastic way the announcement was made, give a lot of insight into Howard's view of Asia, and of Dr. Mahathir specifically. Howard and the new Conservative coalition government have given priority to improving relations with Dr. Mahathir, thereby, acknowledging the importance of the Malaysian prime minister in regional affairs.

Howard is keen to make an impact in international relations and has obviously chosen Dr. Mahathir as the man to introduce him into Asia. Keating himself was showing signs of beginning to respect the values held dear by Asians when he paid a visit to Malaysia early in the year. The new government could be well advised that to assimilate into Asia, one must learn to accept the Asian way of doing things, that is by discussions and collective agreement.

Australia is geographically on Asia's fringes but by customs and culture, it would probably be closer to Europe or America. It could not afford to totally ignore Asia which collectively is bigger than it is and economically more vibrant than Europe. But to take part in Asia it has to become Asian. Dr. Mahathir explained some time ago that Australia must be more Asian if it wants to fully participate in Asian program. The prime minister was not referring to skin color when he said that. What he meant was Australia must treat Asian countries as equal and must respect Asian values and methods. The issue is as simple as that.

Prime Minister John Howard is on the right track in asking Dr. Mahathir to visit. By holding discussions on a wide range of topics, the two prime ministers would have a better understanding of where they stand. Such understanding could only bring good to Australia's future position in Asia.

#### **Malaysia: Iran's Velayati Criticizes U.S. 'Double Standards'**

*BK1503031096 Kuala Lumpur NEW STRAITS TIMES in English 13 Mar 96 p 10*

[Report by Harris Iskandar Taib]

[FBIS Transcribed Text] Kuala Lumpur, Tues. — Iran said it was prepared to participate and even lead an international struggle against terrorism, so long as the efforts were under the auspices of the United Nations and not the United States.

"We are ready to be a part of an international move to fight terrorism, but we will not work with a country which condemns one nation and admires the other," its Foreign Affairs Minister Dr 'Ali Akbar Velayati, said in an interview with the NEW STRAITS TIMES yesterday.

He denied the country's alleged involvement with terrorism or that it condoned such acts, saying Iran was instead a victim of terrorist attacks.

"Iran has the highest number of terrorist attacks against its government officials and people."

"How can we be labelled a nation that condones terrorism when thousands of our own people have been assassinated...We are victims of terrorism," he said.

Velayati, who arrived here on Sunday for a two-day official visit, criticised the United States for practising double standards when it labelled Iran, among other Muslim countries, as a terrorist state.

He said the US was fond of playing up sentiments that dealt with the violation of human rights, but it was not practising what it preached.

For instance, he said, while the US labelled Iran a terrorist nation and criticised Malaysia for having violated human rights, it did not balk at interfering in the administration of another country.

"Both Iran and Malaysia have elections and democracy, and observe international laws, but we are not acknowledged because we are trying to strengthen our independence and against US domination of our countries," Velayati said.

He said there were some countries, even among the Muslim nations, that have close relations with the US, although they had no parliament or democratic system.

"They are tribal governments, but the US is not against them because they have friendly relations."

Velayati was also disappointed that action had not been taken against those who had admitted to assassinating a number of political figures in Iran and had obtained asylum in Western countries.

Many of these terrorists have sought asylum in Western countries and are living freely.

"And they have admitted to assassinating our people. The countries which have granted them asylum are also aware that they have killed our people."

He added that the US was unfair in labelling countries struggling to preserve their independence as terrorist nations.



"If we stop the struggle to strengthen our independence, we are not terrorists. But, if we fight for our independence, we are labelled terrorists.

"This is the American mentality...the American Administration accuses other countries of terrorism simply because they do not have friendly relations with the US."

Velayati left for Brunei this morning.

#### **Malaysia: Commentary Views Potential Partnership With Sweden**

*BK1503031396 Kuala Lumpur Voice of Malaysia in English 0810 GMT 13 Mar 96*

[Station commentary]

[FBIS Transcribed Text] Though Malaysia and Sweden enjoy excellent cordial ties, they could be better. The problem is that the level of linkages between Kuala Lumpur and Stockholm remain at very low level. What has been lacking so far has been minimal two-way efforts to put things right. Besides this, there is a (?gross) lack of information about each other's country and their mutual potentialities.

Despite the distance between them, Sweden is no stranger to Malaysia. The presence of Swedish vehicles, telephones, and household equipment have been a regular feature of Malaysian life, but more needs to be done.

Therefore, the visit of King Carl XVI of Sweden, the first ever by a Swedish monarch to Malaysia, is said to propel bilateral relations to a new high, especially for the close cooperation in the field of technical cooperation. Without doubt Malaysia benefited tremendously from Sweden's technical assistance, in particular training program in areas such as land administration to water management. Other areas included telecommunications, energy, and machine operation and maintenance.

Malaysia also deeply appreciates Sweden's private sector in creating a Swedish-Malaysian Scholarship Fund launched in April 1994 for post-graduate studies in Sweden in technology and engineering. However, the competitive environment globally require a new partnership, more so given Malaysia's remarkable growth. The Swedish king's itinerary is packed with business meetings — a sign that a partnership can be achieved.

Sweden is Malaysia's largest trade partner among the Nordic countries. Although [words indistinct], there is excellent scope for expansion. In fact, it is clear given the existing potentials, both countries have not yet begun to (?serve) the purpose. For example, besides the large multinational, Swedish small- and medium- scale companies can make inroads into Malaysia's industrial

sector. Besides offering new technology, they could also gain by using Malaysia as a springboard to the vast ASEAN market.

Also, steps can be taken for Malaysian manufactured products to [words indistinct] in the Swedish and European markets. King Carl's visit is all the more timely for he comes just weeks after the conclusion of the landmark Asia-Europe meeting.

Europe recognizes it has lagged behind in investments in Asia. Therefore, Malaysia and Sweden can start by establishing investments in the manufacture of car components on a joint venture basis. They can even get some other Asian or European countries to join up and facilitate the tripartite venture. Malaysian and Swedish captains of industry should pursue strategic partnership and take the vast potentials that exist in both countries despite their relatively [words indistinct]. In a way, both countries can show to the world that small countries can do big things if they do it together.

### **Singapore**

#### **Singapore: Iran's Borujerdi Meets With Foreign Minister**

*LD1403213296 Tehran IRNA in English 2107 GMT 14 Mar 96*

[FBIS Transcribed Text] Tehran, March 14, IRNA — Deputy Foreign Minister for Asia-Pacific Affairs 'Ala'eddin Borujerdi and Singaporean Foreign Minister Jaya Kumar held talks on bilateral ties and on major regional and world events. Borujerdi, who has travelled to Singapore to submit Kumar an invitation message from Foreign Minister 'Ali Akbar Velayati for participation in the inauguration ceremony of Sarakhs-Tajan railway, briefed Kumar on the importance of the railway in economic flourishing of the republics in Central Asia and Caucasus.

He said the Far East and Central Asia would be connected to Europe and free waters via Iran once the railway becomes operational, terming it as the most important development in the late 20th century.

The Iranian official expressed satisfaction over the growing ties between Iran and Singapore and said expansion of ties with countries member in the "Asian family" especially the association of South East Asian Nations (ASEAN), would be followed in future.

He said that Iran was satisfied with the recent decision of the ASEAN heads of state for the building of railway in South East Asia for its future link to the Asian railway and considered it as an important measure.



Furthermore, Borujerdi outlined Iran's efforts to solve crises in the region, especially in Tajikistan and Afghanistan, and said that Iran would continue with its principled peace-seeking policy to resolve regional problems in future. Kumar thanked Velayati for his message and expressed satisfaction over such an important development in the region. He said that establishment of transportation facilities in the strategic Asian region would result in the flourishing and development of the region.

Iran and Singapore should explore ways for further expanding mutual cooperation, Kumar added. As for human rights, Kumar said that Singaporean officials had many differences or views with the U.S. on human rights and believed that human rights should be followed in the countries with regard to their beliefs, ideologies and traditions.

### Cambodia

#### Cambodia: Royal Succession Scenarios, U.S. Impact Viewed

BK1503031596 Phnom Penh ARIYEAKTHOR  
in Cambodian 8-9 Mar 96 pp 1, 4

[Report by Marina]

[FBIS Translated Text] As ARIYEAKTHOR has often said, among the many sons of Prince Norodom Sihanouk, only Prince Krompreah Norodom Ranariddh is suitable to be on the throne in the absence of the revered Samdech Euv [Sihanouk]. However, the problem is this: if he became king, who — a prince or an official — would be made chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]? This question is difficult to answer; not just for the people and officials. Even the king himself probably has a hard time giving an answer, as the relative on whom he pins most of his hopes is Prince Kromkhun Norodom Sirivut. However, the prince kromkhun has now become a guilty person. It is evident that this is an issue. The king in his communications with the Daily Bulletin said the one who succeeds him will have to be from the Sisowath or Norodom lines. His chief consort has no royal relations.

Analysts have said that the king now realizes that the Cambodian People's Party [CPP], a major political party, has the upper hand, and that Samdech Hun Sen is moving toward the people. By this observers mean that in the second mandate there will be only one prime minister. If the CPP leads in the 1998 election, there will be only one prime minister. It has been observed that this will be Samdech Hun Sen and not the prince krompreah [Ranariddh]. Therefore, the only way out is the throne.

The following is evident: if the prince krompreah is king ~~and~~ Samdech Hun Sen prime minister, what would happen to FUNCINPEC? The king does not hold power and does not engage in politics. FUNCINPEC as a party would disappear. Hopeful FUNCINPEC officials are Loy Simchheang, Ho Sok, and Veng Sereivut. However, it is unlikely that these officials would be able to lead the party, because they are of lower calibre with the ranks of only general secretaries.

Political circles have focused on this scenario: if the situation is too difficult, Queen Chief Consort [Preah Akkeak Mahasei] Monineat Sihanouk would lead FUNCINPEC to prevent this royalist party from disintegrating. There is nothing reasonable about this scenario. However, if the king leans toward Sam Rangsi, due to his feelings of gratitude for Samdech Chakkrei Nhoek Chulong [Sam Rangsi's father-in-law], there could be a new twist as among the executive members of FUNCINPEC, no one has yet opposed Sam Rangsi, apart from Prince Krompreah Ranariddh. Fearing this last twist, political circles have predicted that if the princess [Machas Khsatrei] [Monineat Sihanouk] does become FUNCINPEC leader, Sam Rangsi would be inducted into FUNCINPEC a second time. When this happens, even if the prince krompreah opposes it, it will have been too late because he is king, he is not involved in politics, and he does not hold power. This has led various circles to another analysis.

Because of this possible FUNCINPEC disintegration, Khmer Nation Party [KNP] activities, although illegal, are ignored, and no one cares to stop them. No one is afraid of Sam Rangsi. The fear is for the KNP, if it becomes a legitimate party, due to the king's sympathy. It is feared that following a FUNCINPEC disintegration and after the prince krompreah becomes king, a number of FUNCINPEC officials would seek refuge under the label of KNP, which is the second FUNCINPEC. However, this solution is being opposed by the Nguon Soeu group, which will hold a congress on 17 March to expel and isolate Sam Rangsi and to prevent him from having a following or a party. If FUNCINPEC disappeared and Sam Rangsi's KNP disintegrated, the CPP will have the upper hand. When this happens, the country's development would not be too dependent on communist China, and will certainly tilt toward U.S. liberalism. At the moment, even if the United States wants to assist Cambodia, it does so reluctantly because it does not want to help countries China is involved with.

The U.S. is currently busy with the presidential election contested by the Democrat and the Republican parties. According to opinion polls, the Republican Party is in the lead. If there are political changes in the United



States, there will also be political changes in Cambodia. Due to this possible political change, FUNCINPEC officials are not very keen on the prince krompreah going into the monkhood in order to become king. This is the reason: if FUNCINPEC disintegrates, everything else will follow, including these officials. It is obvious that politicians think the current political situation has moved a step closer toward a succession crisis if the prince krompreah refuses to become king. However, if the prince krompreah becomes king, a new problem concerning FUNCINPEC leadership would arise. This would become a crisis for leaderless FUNCINPEC.

It is thought that the one who is capable of leading FUNCINPEC, while the prince krompreah is king, is Neak Mneang [title of Sihanouk's wife before her promotion to Chief Royal Consort] Monineat Sihanouk.

This conclusion could also be drawn: that before his death, King Norodom Sihanouk wants to get involved in another round of politics, the last one, to prevent FUNCINPEC from disintegration. This is what every circle is paying attention to. Prince Norodom Sihanouk could return to become FUNCINPEC leader, and the Royal Government with two leaders would then be re-organized. This would be a temporary royal government with the prince [Sihanouk] himself and not Hun Sen as prime minister because FUNCINPEC is a royalist party. If no one among the royal family is suitable to be party leader, FUNCINPEC would automatically disappear. It is true that apart from the prince krompreah, there are also the Princes Kromkhum Sirivut, Chakkrapong, Yu-veakneat, and Norindrapong. However, two of them — a brother and a son — have already been politically convicted. Apart from them, no other royal members can be FUNCINPEC leader. If Neak Mneang Monineat Sihanouk could become monarch without any objection, the throne issue would be resolved, and so would the issue of FUNCINPEC leader. However, this situation has gone beyond this already... [ellipsis as printed]

**Cambodia: Ranariddh Vows No 'Retreat' on Border Issue**

*BK1403160496 Phnom Penh National Radio of Cambodia Network in Cambodian  
1300 GMT 14 Mar 96*

[Speech by First Prime Minister Norodom Ranariddh at aid distribution ceremony in Dong commune, Romeas Hek District, Svay Rieng Province on (?13 March) — recorded; poor reception precludes fuller processing]

[FBIS Translated Summary] Concerning Vietnam's aggression, 991 families or their representatives here have just told me with tears and pain that Vietnam has taken our land. This is a painful matter for our entire nation.

As for myself, I would like to promise solemnly to the entire nation and our compatriots, who are the victims here, that I will resolutely make efforts and will definitely not retreat until we have achieved our goal, from the end of 1995 through to 1996, as far as the issue of Vietnam's annexation of land in Svay Rieng Province and in other provinces of our Kingdom of Cambodia is concerned.

I would like to take this opportunity to make some clarifications. I have heard and read in newspapers some statements that are untrue. Our current problem is not one of maps as claimed. The Royal Government of Cambodia has a clear stance.

The constitution clearly talks about the date and scale of maps. His Majesty the King, in the Sangkum Reas Niyum era, had sent these maps around the world, including to the former Viet Cong and North Vietnam, for acknowledgement on what he termed as Cambodia's present border. This was in the 1960's, particularly in 1964. The royal government has already found these maps the King had sent to all countries. The Viet Cong and North Vietnam had also recognized them. Therefore, to say that the problem is a question of maps is not appropriate.

The royal government also has plans to hold technical talks on maps and border markings. However, what I have said every time is that it is not a question of maps but one dealing with the joint statement by the prime ministers of the two countries on 17 January 1995 in Hanoi. The two prime ministers are His Excellency Vo Van Kiet and myself, Norodom Ranariddh.

Thailand took over four of our provinces. Cambodia agreed to end the issue after our victory in the Preah Vihear case. Later, France gave away a lot of Cambodian territory to Vietnam. It was not Cambodian kings who gave land to Vietnam but France, which did so despite protests from the throne. National opinion and history should not be mistaken.

Now, again and again, I would like to affirm this to the nation: What I have raised with Vietnam is not border markings but a violation of the joint statement dated 17 January 1995. Please do not be mistaken.

Before 1995, all of you here farmed this land. After the January 1995 joint statement, the Vietnamese did not come to that piece of land. Only in December 1995 and later, according to the report by the commune head and your accounts just now, have the Vietnamese come to this land and surrounded our people's homes. This is not a problem of maps but one of full violation of the 17 January 1995 joint statement. I absolutely cannot accept it. Please do not mislead national opinion this way.



We have already held talks at local and ministerial levels. The issue remains unresolved. The Cambodian foreign minister has also held talks but the issue remains unresolved. I have lowered myself, to the extent that some Cambodian newspapers have called Ranariddh Vietnam's lackey. I agreed to talk to Vo Van Kiet but not in Vietnam. I will not go to Vietnam. I do not have to go to Vietnam to talk to him. Vietnam committed aggression against Cambodia. Cambodia will not go to Vietnam. Cambodia is also not asking him to come to Cambodia. This is an immense concession.

Vo Van Kiet first agreed and then later refused to meet me saying he was too busy. He said the border problem is not a big issue. He is the one encroaching. If we are the one, it would be a major issue. I have now replied to him saying that as far as Cambodia is concerned, the issue is one of border violation and is a priority matter that should be immediately resolved. He suggested that we meet during the new year in Vientiane. I ordered this reply sent to him that I cannot wait until the new year, and that I have to talk to him as soon as possible to find a solution.

I would like to clearly inform our compatriots that if Vietnam does not pull out from the area it occupied since December 1995 — and not since ancient times — I believe that we should not hold talks with Vietnam. Vietnam should get out first before we can talk. I will absolutely not hold talks when force is used to pressure us to do so.

I would like to again affirm that it is not a question of maps. We are willing to discuss the map issue. However, this is a question of respect for the joint statement of the two prime ministers. This is the major issue.

I have to inform our compatriots here of another point and the national view is this. As national leaders such as prime ministers, we have to seek all possible peaceful measures to resolve such an issue if it arises. I myself have never incited anyone to resort to weapons and violence to resolve this issue, a great issue for our nation. Many students have come to me, the people too, and said: We volunteer to be soldiers to fight and liberate Cambodian land from Vietnam. I said I admire your patriotic spirit. I added that as national leaders, as prime ministers, we should first try to find all peaceful measures to resolve this. Starting a war takes only one second but we do not know when it can be ended. Therefore, we have to exhaust all peaceful means first, through diplomatic means and talks to avoid an armed clash. This is my clear stance.

I also said to the young ones, students in particular, that whatever happens, we should not involve Cambodian youths because they are Cambodia's future. The youths

should be left to continue their studies in order to take part in national reconstruction. The Khmer Royal Armed Forces [KRAF] and the police, altogether about 150,000 men, have their duty and obligation, if needed, to defend our territory. We should not use youths, children, and the people who are the country's future. The army and the police have the duty and obligation to defend Cambodian territory. This is my answer to Cambodian youths and people consistently. As a leader I am very careful about using weapons and violence to resolve an issue, no matter how big it is.

However, if we have held talks or we are not consulted with to resolve the issue peacefully, I believe that we Cambodians, the KRAF, and the national police have the sacred and historic duty to defend Cambodian territory and liberate Cambodian territory if need be, because this is our duty. I stress this again and again. Please be informed.

Compatriots, this is an massive issue. If we cannot resolve this problem, such incidents along the Cambodian-Vietnamese border will continue forever. So, if we retreat here, we will have to retreat in many more places in the future. That is why we cannot retreat. Cambodians should be clearly aware of this.

#### **Cambodia: Paper Challenges Ranariddh To Solve Border Dispute**

BK1503033796 Phnom Penh ARIYEAKTHOR  
in Cambodian 8-9 Mar 96 pp 1, 4

[Unattributed Report]

[FBIS Translated Text] Since the Royal Government was set up, people have asked why no one has thought about the border and Vietnamese residents. Through 1994-1996 a number of newspapers have mercilessly criticized the leaders of the royal government. Has this insult been heard? The prime ministers were called puppets.

With this single word, what the constitution terms as sovereignty, has dissipated. However, this year, in battle jargon, troops have arrived at the line ready to do battle. The prince krompreah first prime minister and unpopular leader of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], is well aware of the allied party in the struggle. This is not an alliance to share power; it is one to win. As for the role each party plans to bestow on the other, FUNCINPEC will refer to the Cambodian People's Party [CPP] as the dictatorial party, while the CPP will say FUNCINPEC is very corrupt. Corruption and dictatorship are words the allied parties will use to sow their doctrine in order to win votes. Now the prince



krompreah has used this popular and strange tactic by starting to talk about the border with Vietnam. This question should be asked: Is this FUNCINPEC's last political breath? Is the prince really serious about this or is he justing talk about it for pleasure? One should also ask what kind of solutions we should adopt if the Cambodian Government has a border conflict with Vietnam.

The prince krompreah has already answered this at the meeting to review the Interior Ministry's work, saying that we adopt the peaceful solution and adhere to the status quo since January 1995. Vo Van Kiet did not even bother to meet the prince krompreah. What an affront to Cambodia! Dear prince, please realize that the motherland is common property. The Cambodian people gave you victory in the election. Then, those around your feet were all good-for-nothing. What can you do? If Prince Krompreah Ranariddh is really someone strong, the border dispute with Vietnam should be settled in the course of 1996. If not, do not expect the people to vote for you... [ellipsis as printed] Bye bye FUNCINPEC, which has only words but no bullets. On the contrary, watch the western border. According to political-geographic analysts, Samdech Hun Sen will deal with Thailand. And one can then really compare Samdech Hun Sen and the prince krompreah. Territorial integrity is a matter of life and death for the nation. If the prince krompreah cannot solve the problem, he ought to leave his job. It is true that he needs to be courageous.

#### **Cambodia: Paper Accuses Sihanouk of Taking Sides with KR**

*BK1503104096 Phnom Penh CHAKKRAVAL in Cambodian 10-11 Mar 96 pp 1, 4*

[Article by Socheata: "King Sihanouk Takes Sides With the Khmer Rouge"]

[FBIS Translated Text] We no longer want to talk about or recall the past to cause discord, but King Sihanouk, in a letter, said Pol Pot and other top Khmer Rouge [KR] leaders might not be put on trial. The king then pointed out that Pol Pot and other KR leaders will not allowed to be sent to the gallows.

In view of his remarks, it can be seen that the king is giving his full support and defense to the top assassin Pol Pot and other KR leaders, who massacred the Cambodian people.

A reliable source disclosed that it is not just at present that King Sihanouk is defending Pol Pot and other KR leaders. At an overseas meeting in 1993, the king proposed to Hun Sen to dismantle the Tuol Sleng Museum [of Genocide] but Hun Sen rejected the proposal. Again in 1994, the king proposed to Samdech

Hun Sen that all the remains in the museum be dumped. Answering the proposal, the samdech said: I am not opposed to dumping the remains, but 1 May should be adopted as a national remembrance day.

The two proposals, aimed at destroying evidence of the genocide committed by Pol Pot-Ieng Sary to save the KR leaders from conviction were throw out.

#### **Cambodia: Khmer National Party Adopts Structural Resolutions**

*BK1503123496 Phnom Penh SAMLENG YUVEAKCHON KHMER in Cambodian 10-11 Mar 96 pp 1, 3*

["Resolutions" issued by the Khmer Nation Party in Phnom Penh on 9 March]

[FBIS Translated Text] Phnom Penh, 9 March 1996.

#### **Resolutions:**

In view of the royal initiative mentioned in the 12 December 1995 message from His Majesty King Norodom Sihanouk of Cambodia to His Excellency Sam Rangsi, the Steering Committee of the Khmer Nation Party [KNP] unanimously decided (with 22 voices) the following at its plenary session on 9 March 1996:

Article 1. Adopting 2 November 1995 — the date when the KNP founding chairman signed the KNP statute — as the party's creation date;

Article 2. Changing the party's logo from "King Jayavarman II" to an "Angkorian Cambodian";

Article 3. In implementing these two resolutions, the Steering Committee will use its rights and institute all appropriate measures in accordance with the party's statute and internal regulations;

Article 4. These resolutions become effective as of today.

[Signed] Sam Rangsi

#### **Copies to:**

- The Royal Palace Cabinet;
- The secretary general of the National Assembly;
- The Interior Ministry;
- The Justice Ministry "as information";
- All national and international newspapers;
- Records.



**Cambodia: Khieu Samphan on National Union Forces**

*BK1403124896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 13 Mar 96*

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation and chairman of the National Union Party, by an unidentified station correspondent; date and place not given — recorded]

[FBIS Translated Text] [Correspondent] My respects to Your Excellency prime minister. Please permit me to continue the interview with you. This is my question: Communist Vietnam and an alliance have jointly destroyed the Paris accord and peace and continued to fan the flames of war to kill our nation and people, but they cannot do so. What do our nation and people rely on? Where do they get weapons to continue the struggle to defend the nation and race?

[Khieu] Yes, thank you. This question is very important for every patriot. Our country, which is small, poor, and has a sparse population, faces the danger of being wolfed down and swallowed by communist Vietnam. The alliance has also collaborated with Vietnam. Where do we obtain forces and weapons to fight to defend our nation and race?

Our forces are the great national union forces and our weapons are the great national union weapons. The forces have undergone the test in the struggle by our nation and people to oppose the race-extermimating communist Vietnamese aggressors since 1979. The test has become even more apparent now when the United States and the alliance have colluded with communist Vietnam to continue fuelling the war to destroy peace and national reconciliation for nearly three years. This is the most valuable experience for all of us. The experience that our people have engraved into their fresh flesh and blood is a precious heritage for our children of the generations to come in defending our nation and race, no matter how big the aggressors are, how modern their weaponry, and how fascist and cruel they are.

[Correspondent] Yes. What should we do to have the great national union forces?

[Khieu] The enemies who have invaded our country have created conflicts with our nation and people from all social strata, including the peasants, and especially the poor ones. Any group of patriotic resistance forces that relies on the national and people's forces and painstakingly joins the nation and people in a struggle, will certainly be supported and assisted by our nation and people. During their ongoing struggle, the national

resistance forces will gradually expand, while enemy forces will wear out and will be divided and dispersed one after another. The truly cruel and barbaric nature of the aggressors, who have killed, despoiled, and ransacked our nation and people, will definitely banish the propaganda, political, and psychological war of their group and their puppets. On the other hand, our nation and people, who have clearly seen the danger of Cambodia being wolfed down and swallowed by communist Vietnam, have joined hands to fight against the enemies. As the latter can no longer divide our nation and people and as our nation and people have united more spiritedly than before, our great national union forces have become stronger and more powerful.

[Correspondent] Yes. What have the peasants done as resistance forces in the rural areas?

[Khieu] The peasants, specifically the poor ones, have suffered most severely and lived in the most miserable conditions due to the 17 year long war of aggression waged by communist Vietnamese, and by the alliance and the two heads later, since 1979. The male fellow compatriots have been killed in masses, while female compatriots have lost their husbands and children and have all become widows. As for youngsters, they have lost their fathers and mothers and have become homeless orphans. The peasants have been deprived of cattle, rice fields, farmlands, and estates which have been completely plundered by the Vietnamese; by the communist Vietnamese puppets' two-headed administrators in villages, communes, districts, and provinces; and by the two heads themselves; and by the unscrupulous foreign merchants. The peasants have also been robbed of rivers, lakes, forests, and everything. Therefore, how can the peasants survive?

The peasants, in particular the poor ones, have patiently endured suffering and misery for 17 years. The more they remain patient, the more severely they suffer; the more they remain patient, the more they die and become vulnerable; the more they remain patient, the more they lose their land, estates, rice fields, and orchards; the more they remain patient, the more they suffer from starvation. That being the case, the only way they can survive is to wage a struggle.

There are over seven million peasants, including five or six million poor peasants in the country. Peasants are everywhere, in the fields and mountains. So, the peasants, especially the poor ones, have joined the National Army of Democratic Kampuchea [NADK] and the Provisional Government of National Union and National Salvation [PGNUNS] in fighting to disband the (legal) administration of the enemies, to liberate their own villages and communes, and to retake their rice



fields and orchards. They have also been fighting to prevent the thievish soldiers, policemen, administrators, and the two heads from infiltrating the liberated villages in order to steal, rob, and draft their husbands and sons to serve as soldiers and militiamen.

[Correspondent] Yes. Where are the weapons from?

[Khieu] The peasants are fighting with whatever weapons are available, such as knives, axes, and hoes. Knives are used to produce punji stakes; hoes to dig up roads to cut off the enemies' supply lines and to plant stakes to surround the enemies' bases and water sources and deprive them of food and water [words indistinct] everywhere. The peasants have also joined the NADK in destroying the enemies by chunks everywhere.

The peasants, specifically the poor ones, have all stood up. In the past, the peasants were looked down upon and regarded as trash by the old and new enemies in and outside the country. However, when the peasants, in particular poor peasants, stand up, they become the most vigorous and invincible resistance forces.

[Correspondent] Thank you. What is the struggle being conducted by our nation and people in the cities?

[Khieu] In Phnom Penh and the provinces, our nation and people from all social strata have also furiously opposed the race-exterminating communist Vietnamese aggressors, Hun Sen, and the nation-betraying two heads, who are the out-and-out lackeys of communist Vietnam and the alliance. They have the most intense hatred because the enemies are so corrupt, dictatorial, fascist, and thievish. They rob everything day and night [words indistinct].

[Correspondent] Yes. What about the constant suppression by the enemies of the compatriots conducting a struggle within enemy boundaries?

[Khieu] They resort to the suppression because they are afraid of the national and people's forces and because they are all communist Vietnamese. They never want the compatriots to enjoy freedom and democracy. They are dictatorial and monopolistic like the communist Vietnamese. Nevertheless, no matter how cruel they are, they can never bury the national and racial hatred of the compatriots.

Our nation and people from all social strata are now seeking to blow off the head of the most cruel and fascist Hun Sen. That is why, communist Vietnam has used tanks and the Vietnamese and Cambodian Dac Cong troops to protect Hun Sen's head and to control him at all times. On the surface, the tanks and Dac Cong troops are said to be in Hun Sen's protection, but in

reality, they are assigned to control and keep Hun Sen firmly under the communist Vietnamese grip. So, Hun Sen will continue to serve communist Vietnam and to behave more savagely and cruelly. However, it is asked: How long can communist Vietnam protect his head? How can the nation-betraying and nation-selling two-headed regime resist the opposition of our entire nation and people everywhere? The entire nation and people have pursued their multiform struggle ceaselessly in the countryside, cities, and abroad. They have been inflicted with the most serious defeat in all fields and sectors, be it political, economic, financial, social, military, or diplomatic. The world has also denounced them as the most thievish and fascist regime under which rights, freedom, and democracy are absolutely nonexistent. Even their masters have denounced them, because they are so rotten and corrupt.

The defeats suffered by the two heads, who are the out-and-out lackeys of communist Vietnam and the alliance, are the consequences of their nation-betraying and nation-selling actions. The defeats clearly show that the great national union forces are the most zealous forces of our nation and people to defend our nation and race, a nation and people who are endowed with their own national identity, honor, traditions, and civilization.

## Indonesia

### Indonesia: PRC Embassy Clarifies Envoy's Remarks on Spratlys

BK1503020896 Jakarta ANTARA in Indonesian  
1735 GMT 14 Mar 96

[FBIS Translated Text] Jakarta, 14 Mar (ANTARA) — The PRC upholds international law and modern international sea laws, including the UN Convention on the Law of the Sea, in the efforts to settle the issue of the Spratly islands in the South China Sea, Chinese Ambassador to Indonesia Zhou Gang said.

"The Chinese Government could demand the settlement of the issue on the basis of the basic legal principles of international law and modern international laws, including the UN Convention on the Law of the Sea," the PRC ambassador said.

The PRC Embassy clarified to the ANTARA New Agency on Thursday that Ambassador Zhou Gang did not demand the United Nations settle the Spratly issue, as reported on Wednesday.

China is striving to set the dispute aside and ensure the safety of navigation in the region before the issue is settled.



**Indonesia: Article Views Impact of PRC-Taiwan Tension**

*BK1503104196 Jakarta KOMPAS in Indonesian  
14 Mar 96*

[Article by Rizal Sukma: "China-Taiwan Conflict: Implications for ASEAN" — received via Internet]

[FBIS Translated Text] What are the objectives of China's missile exercises off the mainland coast in the Taiwan Straits? What are the implications for ASEAN as far as territorial disputes in the South China Sea or its future role in the ASEAN Regional Forum [ARF] are concerned? This article tries to answer these two questions.

Strategically, the exercises seem intended to achieve two objectives simultaneously.

First, China wants to reaffirm its current policy on Taiwan. The old conflict between the Communists and the Nationalists will have to be settled within the "one-China" framework before national reunification is achieved. With the approaching return of Hong Kong and Macau to the mainland in 1997 and 1999, respectively, Beijing now regards Taiwan as the most important territorial issue to be settled.

Second, China is using these military exercises to show its effective military ability to control the waters and airspace of the Taiwan Straits and to sever the sea trade route that is vital for Taiwan.

Tactically, the show of force is intended to press Taiwan voters not to vote for pro-independence candidates in the 23 March presidential election. China pursued a similar tactic prior to last December's parliamentary elections. For Beijing, the pre-election missile exercises have succeeded in increasing the Taiwan people's support for parties opposed to Taiwan independence.

Beijing is now apprehensive that President Li Teng-hui will try to win the support of pro-independence voters. Accordingly, Beijing has once again "reminded" Taiwan's people of the "danger" of the idea of independence through a series of new missile exercises. Through this military maneuver, Beijing is trying to slow Taiwan's pace in gaining international recognition.

Nevertheless, the implications of the current military maneuvers are very disturbing not only for Taiwan but for other countries interested in the stability of the Asia-Pacific region.

First, the missile exercises have effectively blockaded Keelung and Kaohsiung, Taiwan's two most important ports, and disrupted domestic flights. Cargo ships that normally call at the ports and passenger aircraft dare not risk entering the area.

Second, the Chinese maneuvers reaffirm Beijing's conflict resolution pattern. Chinese leaders have frequently said that China does not intend to use force to settle existing conflicts, including its conflict with Taiwan. Beijing will use force, however, to create the conditions for settling the conflict. In other words, it seems China is trying to use this show of force to exert pressure on Taiwan to comply with Beijing's way of settling the Taiwan issue. For the time being, Beijing wants Taiwan to maintain the status quo — to adhere steadfastly to the "one-China" system — prior to a final settlement. Given this strategy, it is difficult to say that China is using force to settle the conflict.

The China-Taiwan conflict has direct implications for ASEAN. For ASEAN, the Chinese modus operandi — the use of force to gain political benefit — is not new. The dispute over the Spratly Islands in the South China Sea has served as a "laboratory" to observe Beijing's conflict resolution pattern. Based on the experience of ASEAN — and Indonesia as the sponsor of workshops on the South China Sea — it is difficult to deny that China tends to use "carrot and stick" tactics. Beijing will first occupy a disputed area and then express its readiness to hold dialogue.

China has frequently showed its efforts to gain tactical military benefit before holding dialogue. The latest example was China's February 1995 occupation of Mischief Reef, also claimed by the Philippines. During the ASEAN Ministerial Meeting in Brunei in July 1995, Chinese Foreign Minister Qian Qichen ostensibly showed that China was more flexible than ever when he expressed Beijing's readiness to discuss the Spratlys issue with all ASEAN members and seek a solution in accordance with the UN Convention on the Law of the Sea.

Nevertheless, Beijing took no concrete steps to deal with the issue. Accordingly, ASEAN is waiting for Prime Minister Li Peng to fulfill the pledge he made to President Suharto at their recent meeting in Bangkok — that China intends to ratify the UN Convention on the Law of the Sea immediately.

This tactic has created the impression that China is trying to consolidate its military position to enhance its bargaining power with other countries that claim the Spratly Islands in part or in whole. According to an observer, it is most disturbing that China is implicitly trying to force other parties to "hold bilateral negotiations in accordance with terms set by Beijing or face the consequences." (Mark J. Valencia, Adelphi Paper No. 298, 1995.) China appears to be pursuing such tactics against Taiwan. In other words, China is pursuing



the diplomacy of holding dialogue from a position of strength.

ASEAN needs to monitor such tactics. In addition, the escalation of the Beijing-Taipei conflict will have medium-term implications for ASEAN's desire to be the "primary driving force" in multilateral security arrangements in the Asia-Pacific region through the ARF.

The China-Taiwan conflict poses a challenge and a test for ASEAN to prove its credibility as the main player in the ARF. ASEAN must turn the ARF into a forum to handle broader "tense" issues in the region.

Nevertheless, ASEAN appears to have found no appropriate formula to assert such a role. Participants in the second ARF meeting in July 1995, for example, were unable to raise and discuss the Taiwan issue and its implications for security in the Asia-Pacific region.

Indeed, this would have been a bit excessive because the ARF had been just launched. Moreover, the ARF is still in the "confidence-building" stage and has yet to move to the stage of "preventive diplomacy" and "elaboration of approaches to conflicts." If ASEAN intends to become the primary driving force behind the ARF, it must admit that the Taiwan issue is a security problem for both Southeast Asia and Northeast Asia. Consequently, ASEAN will be challenged to pay greater attention to the Taiwan issue and its implications for the security of the entire Asia-Pacific region, either willingly or unwillingly.

ASEAN faces a dilemma. On the one hand, one of the main objectives of the ARF is to ensure the integration of China into multilateral security dialogue on the basis of an ASEAN formula, not other formulas. For the time being, China appears to be more favorable to ASEAN's central role in the ARF rather than U.S. domination because China fears that the United States will insist on the inclusion of the Taiwan issue in the ARF agenda.

On the other hand, ASEAN cannot afford to comply constantly with China's desire to keep the Taiwan issue off the ARF agenda. The question is how to raise the Taiwan issue. If ASEAN is able to find a solution to the dilemma, it will determine the extent of ASEAN's ability to remain in control of the ARF's future agenda and direction.

#### **Indonesia: Daily Views Antiterrorist Summit in Egypt**

*BK1503034196 Jakarta KOMPAS in Indonesian  
14 Mar 96*

[Editorial: "Antiterrorist Summit Meeting is Attracting Attention — received via Internet]

[FBIS Translated Text] The antiterrorist summit in Sharm al-Sheikh, Egypt, attended by 31 countries and international organizations, has attracted much attention, not only because of its agenda, but also its venue.

As the summit is being held in the Middle East, we can immediately see the close link between the venue and substance of the meeting. The Middle East has so far been seen as the arena of terrorist acts, or even the hotbed of international terrorist movements.

The presence of many world leaders in the conference show that their agenda is a serious one because terrorism alarms everyone. Jointly chaired by Egyptian President Hosni Mubarak and U.S. President Bill Clinton, the conference discusses the scourge of modern man, terrorism.

Terrorism exists anywhere for any reason and everyone is deeply concerned about terrorist movements. The emergence of international terrorist organizations shows that the terrorist threat is widespread and knows no national boundaries.

Terrorist acts, which often claim the lives of innocent people in airline hijackings or school children hostage-taking, are human tragedies that cause deep emotional suffering.

In view of the violence-prone Middle East situation, terrorist acts from the 1960's to the 1980's were understandable. Violent and terrorist acts were seen as a part of the hostilities and vengeance between the Arab-Palestine and Jewish communities.

When the peace treaty between Palestine and Israel was signed in 1993, many people hoped that the Middle East communities will soon abandon the vicious circle of the century-old violence.

The peace treaty itself was considered an extraordinary achievement in the efforts to improve ties between the two rival communities, especially with the century-old conflict, mutual hostility, revenge, and hatred.

Several quarters have expressed deep concern that the peace process may be stalemated or even fail and that hostility and revenge may return perhaps in a more savage manner if the peace process is not rescued.



Everyone is shocked at the terrorist acts perpetrated by the Hamas Palestinian organization against Israel in the last few weeks. It is feared that the suicide bombings will trigger new waves of violence and reduce the meaning of peace for those living in that region.

Peace means safety and security for people in general. Peace is the absence of violence, war, or conflict. The meaning of peace will expand if it is supported by economic prosperity.

Peace and security without prosperity will be incomplete. Therefore, economic development and social justice must be upheld to strengthen peace. Social frustrations may emerge if there is an absence of prosperity.

The entire issue has become a vicious circle. Prosperity and peace can only be achieved if there is no violence. Economic development is hard to attain if violence and terrorism continue in the Middle East.

Based on this assumption, several quarters have expressed concern over the wave of terrorist acts that have affected Israel. The antiterrorist summit was finally convened so as to ensure peace and create a situation conducive for economic development.

The international community wants to see peace in the Middle East because anything that happens there will have an impact on other parts of the world. In the increasingly small world, the Middle East crisis has a direct impact on the global economy, especially since the world's main oil resources are found there.

That is why people are paying great attention to the antiterrorist summit, which hopefully can remove all obstacles to the peace process. If we look at the long history of the Palestine-Jewish conflict, we are afraid to say that any failure to achieve peace will have a serious impact on the Middle Eastern people's future.

#### **Indonesia's Suharto: Jailed Fretilin Leader Could Be Released**

BK1503040296 Jakarta KOMPAS in English  
15 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — President Suharto said that not only Xanana Gusmao could be released but also his followers if Fretilin [Revolutionary Front for an Independent East Timor] members were prepared to come down from the hills of East Timor and surrender themselves.

If this happened, the President maintained, Indonesia-Portugal diplomatic relations could be restored.

The President's message was conveyed by ambassador-at-large Lopes da Cruz at the President's residence in Jakarta on Thursday (14/3) [14 March].

Lopez da Cruz had relayed the results of the All-Inclusive East Timorese Dialogue in Austria (16-22 March 1996) to the President.

In follow-up to President Suharto's meeting with Prime Minister Guterres, more concrete steps had also been taken to establish an Indonesian Chamber of Commerce in Portugal and a Portuguese Chamber of Commerce in Indonesia.

Meanwhile, in relation to the release of Xanana, the President said that this could happen but it should not be restricted to just Xanana and must be supported by separatist groups in the jungle.

Other should come out from the jungles and surrender.

This means diplomatic relations between Portugal and Indonesia could be restored.

But if Xanana is released while there are still others in the jungles then this means that the problem is ongoing, quoted Lopez da Cruz.

The release of Xanana was mentioned during the unscheduled talks between Portuguese Prime Minister Antonio Guterres and President Suharto during the Asia Europe Meeting in Bangkok.

In the meeting Prime Minister Guterres said because of Portugal's concerns in the region, he requested the release of Xanana and his followers and an improvement in the human rights situation in East Timor.

Lopes said under the Constitution, Indonesia is obliged to uphold human rights.

The President stressed, that the East Timor issue has been handed over to the foreign affairs ministries in both countries and discussed in a dialogue among the Indonesian Foreign Affairs Minister, the Portuguese Foreign Affairs Minister and the United Nations Secretary General.

Seven dialogues have already been held.

The eighth is due to be held in June 1996 in Geneva.

Lopes said in the upcoming All-Inclusive East Timorese Dialog Uskup [Bishop] Bello would not be involved because of his Easter obligations.



**Indonesia: 'Domestic' NGO Implicated in Irian Jaya Unrest***BK1503082896 Jakarta ANTARA in Indonesian  
0633 GMT 15 Mar 96*

[FBIS Translated Text] Jakarta, 15 Mar (ANTARA) — Lieutenant General Suyono, chief of ABRI [Armed Forces of Republic of Indonesia] General Staff, says that a domestic nongovernmental organization [NGO] is suspected of involvement in the hostage-taking incident in Mapnduma, Irian Jaya and the recent riots at Freeport Co. Ltd. in Timika.

"Do not be surprised if the ABRI decides to question one of the local NGO's," Suyono said to reporters at Jakarta's State Palace on Friday after attending a ceremony to install Rear Admiral Arief Kushariyadi, Air Marshal Satria Tubagus, and Police Major General Dibyo Widodo as the new chiefs of the Navy, Air Force, and Police Force.

Asked to comment further on the NGO's believed to be involved in the events in Irian Jaya, Suyono said: "I am not sure if they are genuine NGO's."

Commenting on the hostage taking in Mapnduma, Suyono expressed his amazement with a report that one former hostage wanted to rejoin the hostages still held by the abductors in the jungle [passage indistinct].

Suyono said that ABRI Headquarters is carrying out an intensive investigation into a certain NGO believed to be involved in the two incidents in Irian Jaya.

Asked to comment on the riots in Timika, he said that KOSTRAD [Army Strategic Reserve Command] had dispatched two battalions of troops to Irian Jaya to assist the Trikora Eighth Regional Military Command.

"The Trikora regional commander is fully authorized to make use of the KOSTRAD troops," he said.

The ceremony to install two new chiefs of staff and one police chief was attended by Vice President Try Sutrisno; Sudomo, chairman of the Supreme Advisory Council; and several cabinet ministers. Speaking after the ceremony, Maj. Gen. Dibyo Widodo, the new police chief, said that combating narcotics and city hooligans will be his main priorities.

**Indonesia: Police Arrest 'Ecstasy' Drug Traffickers***96SE0039B Jakarta KOMPAS in Indonesian  
15 Feb 96 p 8*

[FBIS Translated Text] Jakarta (KOMPAS)—Two suspected traffickers in "ecstasy" tablets, An, alias Anis, (38) and M.A.A. (38), were arrested last Thursday, 8 February, by detectives of the METRO JAYA [Metropolitan Jakarta] Regional Police [POLDA].

Evidence in the form of 300 ecstasy tablets was seized. Lieutenant Colonel (Police) Djoko Satrio, chief of the Narcotics Unit of METRO JAYA, said the arrest proves that the police continue to pursue traffickers and users of psychotropic drugs.

"POLRI [the Indonesian Police] will certainly apprehend traffickers and users of these psychotropic drugs, because we have legal mechanisms that can be used to snare them. In the case of Anis, for example, the legal mechanisms to be used are Articles 40 and 41 of Law Number 23 of 1992 on health and Article 23 of Law Number 9 of 1976, because marijuana was also found on them," said Satrio, who was accompanied by Lieutenant Colonel (Police) Iman Haryatna, chief of the POLDA Information Service.

He said that the first to be arrested was Anis, who was about to peddle ecstasy at a "B-1" entertainment spot in the Niaga Tower Building on General Sudirman Street in Central Jakarta. About 200 ecstasy tablets, consisting of "play boy," "appel," "electric," and "Rolls Royce" pills, were found on his person and in his Toyota jeep.

From an interrogation of Anis, a resident of H. Abdul Latief Street, Karetengsin, Central Jakarta, it was learned that he had bought the pills from M.A.A., a resident of Griya Mapan Housing, Krukut, Surabaya. Police then arrested M.A.A. at the Nirwana Hotel, East Jakarta, on the same day. In his room, they found about 100 ecstasy tablets, a cellular telephone, and two books of records on the hundreds of ecstasy tablets he had sold.

Unlike the terms Anis used for the types of ecstasy, M.A.A. called them "jabrik," "bird," and "little Y.S." Anis revealed that he had bought the pills for 45,000 rupiah each and that he sold them for several times that much.

Captain (Police) Immanuel Larosa, chief of the Strong Drugs Unit of the METRO JAYA POLDA Detective Service, added that the two suspects had not yet said whether the pills were made locally or imported. The pills are now being examined at the Forensic Biological Chemistry Section of the POLRI Headquarters Forensic Center.

The arrest of the suspected ecstasy traffickers at the entertainment spot at the Niaga Tower Building was not the first to be made. Traffickers from outside the city have recently appeared in the South Jakarta area.



## Laos

### Laos: German Delegates Visit Regarding UXO Program

BK1503120896 Vientiane KPL in English  
0926 GMT 14 Mar 96

[FBIS Transcribed Text] Vientiane, March 14 (KPL) — This week a delegation of the German Ministry of Foreign Affairs has visited the Lao PDR [People's Democratic Republic] in response to the initiative of the Lao government with regard to the Lao National Unexploded Ordnance (UXO) Programme. The German delegation held talks with Mr. Noi Indavong, deputy-minister of labour and social welfare, and other Lao officials, discussing a German contribution to the national UXO programme.

A 12-month package of assistance is envisaged, which involves managerial, technical and financial support in one of the most affected provinces.

The assistance could include the provision of up to four German technical advisors, advanced practical training for Lao nationals, supply of equipment and explosives and the payment of operating costs and salaries.

The German project is expected to start in July or August this year.

### Laos: 'Editorial' on Measures To Prepare for Party Congress

BK1503123696 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 15 Mar 96

[Unattributed "editorial": "Heighten Sense of Vigilance, Smash All Enemy Schemes, and Ensure Peace and Order for the Entire Country"]

[FBIS Translated Text] Peace and security are fundamental factors favorable to the cultural and economic development of our nation and to making our country more prosperous and civilized. Currently, bad elements are continuing to implement various sinister schemes to subvert our people's efforts to build and develop the country. For example, they are energetically trying to implement a strategy of bringing about change through peaceful tactics with the aim of destroying our country in all respects. They have carried out propaganda campaigns to distort our party's policies and lines and slander the new regime. At the same time, they have strived to create disturbances among the people in various ways. It is more vital than ever for our cadres and combatants to heighten their sense of vigilance and make all preparations to smash any dark schemes launched by the enemy so we can maintain peace and security throughout country and so our multiethnic people can make a living and build the country in a peaceful atmosphere.

Not very long from now, the sixth party congress will be convened. This is considered a political event of historic significance in our country. Our entire party, Army, and people are enthusiastically exerting their efforts to engage in various emulation campaigns and make outstanding achievements to welcome the event. Therefore, it is necessary that all cadres and combatants closely coordinate and cooperate with local administrations and the masses in taking the initiative to thwart all trends leading toward the emergence of disturbances that may result in the loss of our people's lives and property as well as creating political instability in our country. All units of the regular and regional forces must organize their cadres to coordinate closely with public security forces and assist village administrations in maintaining peace and security; for example, by checking household registration documents for residents and tourists who have just moved to specific areas. Anyone found violating our laws and regulations must be educated and dealt with drastically.

The party and command committees of all regional units must educate their respective cadres and combatants to appreciate the party's national defense and public security maintenance policy; to understand clearly the dark enemy schemes, such as the strategy of bringing about changes through peaceful tactics; and to heighten their sense of mastership, discipline, and organization. At the same time, they must pay attention to controlling the ideological line and scrutinizing all movements of our cadres and combatants. Attention must also be paid to inspecting and managing weapons and ammunition, seeing to it that they are kept in a state of readiness at all times. It is absolutely necessary that no one be allowed to violate the Army's discipline and regulations, the people's traditions and customs, or the country's laws.

Let us engage in the campaigns to make genuine achievements to welcome the sixth party congress. Let our entire Army unite as one. Let us build strong and all-around knowledgeable party units. All units must be encouraged to play prominent roles in cooperating with the masses to maintain peace and security in the country. Let us strive to create favorable conditions to bring about brilliant success for the sixth party congress.



## Philippines

### Philippines To Stay 'Neutral' in PRC-Taiwan Conflict

BK1503111396 Manila MANILA STANDARD  
in English 11 Mar 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Malacanang [Presidential Palace] and Congress appeared to have agreed that the Philippines should adopt a hands-off policy in the current conflict between China and Taiwan which threatens to erupt into a shooting war due to Beijing's military provocations and Taipei's counter-threat to "retaliate."

President Ramos declared the Philippines will not take sides in the conflict, because Manila subscribes in the principle of noninterference in the internal affairs of other nations and its One-China Policy.

"The Philippines fully respects the principle of noninterference in the internal affairs of other nations, and supports the peaceful reunification of China," Mr. Ramos said.

Sen. Ernesto Maceda, chairman of the Senate foreign relations committee, said it was in the Philippines' national interest to keep neutral in the feud and should resist any pressure from external powers to support China or Taiwan.

"I think in this particular case, we can't afford to go into a situation where we will take side. Definitely, we should not antagonize China or Taiwan at this time," Maceda told radio station DZRM from San Francisco, California, where he is recovering from heart surgery.

Earlier, Sen. Blas Ople, one of the Senate's foreign policy experts, urged Mr. Ramos to immediately convene the National Security Council to assess the danger in the Taiwan Straits, which overlap the maritime boundaries of the Philippines.

Maceda made a similar suggestion. "The president should call a very extensive security meeting on this matter," he said.

China had fired three guided missiles into the waters near Taiwan's two main ports, beginning a series of tests meant to intimidate the island ahead of presidential elections.

Beijing is worried Taiwan, which it considers its province, is veering away from eventual reunification with the mainland and toward independence. Taiwan's President Li Teng-hui is seeking reelection.

Maceda observed visible signs that the White House and the American Congress are "squarely putting the United States on the side of Taiwan."

Because of this, he said there will probably be diplomatic efforts by Washington to persuade Manila to side with Taiwan.

"I can see this already. I can feel that the U.S. will be pressing the Philippines to take a position to support its own stand," Maceda said.

Maceda urged Malacanang to be extremely careful in handling this "very sensitive matter."

"Let us study it very carefully before the government take any position on the issue," he said.

The president said that while the Philippines was not apprehensive at this stage that armed conflict of any kind was imminent, it remained hopeful the situation in the Taiwan Straits will be allowed to return to normal as soon as possible.

"At the same time, the Philippines sincerely hopes that the situation in the Taiwan Straits will not be allowed to lead to any unintended erosion of longer-term regional security and regional cooperation which are of enduring and vital importance to the future progress and prosperity of all East Asian nations," Mr. Ramos said.

### Philippines: PRC Official on Filipinos in Taiwan

BK1503011096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Mar 96

[FBIS Translated Text] A senior Chinese official has assured Foreign [Affairs] Undersecretary Rodolfo Severino that the missile tests conducted by China near Taiwan will not lead to war. Severino added that Chinese Vice Foreign Minister Tang Jiaxuan has assured that the Filipino workers in Taiwan are not in danger. Tang is visiting Manila for dialogues on contested Spratly Islands and piracy near the area. Tang added that they need to show Taiwan their military force for its insistence to be freed from Chinese control.

### Philippines: More on PRC Assurance of No War With Taiwan

BK1503021096 Manila BUSINESS WORLD  
in English 15 Mar 96

[Report by Paul N. Villegas with Cecilia S. Aquino and Jemileen U. Nuqui — received via Internet]

[FBIS Transcribed Text] China yesterday assuaged Philippine fears over increasing tension in the Taiwan Strait after Philippine officials raised the issue during bilateral talks which ended yesterday.



The Philippine panel raised its concerns over China's military war games and said these hinge on three things: the proximity of the Philippines to that area; the presence of over a hundred thousand Filipinos in Taiwan; and the possible repercussions on regional peace and security.

The Chinese side, however, said the military exercises are routine activities.

"(Chinese foreign) vice minister Tang (Jiaxuan) repeated the Chinese position that these are routine military exercises, and that they are limited. In any case we should not feel concerned about them and that they pose no danger to the Philippines or to Filipinos in Taiwan," Foreign Affairs Undersecretary Rodolfo Severino said.

"They (China) don't think and we (Philippines) don't think there's going to be a war (between China and Taiwan) ... They said this is not an act of war. This is a military exercise that has a beginning and an end," he added.

China continued its war games yesterday to intimidate Taiwanese voters who are expected to support Taiwanese President Lee Teng-hui's presidential bid in the island. Taiwan will have its first direct presidential election on 23 March.

China regards Taiwan, an island of 21 million people and one of the region's most successful and richest economies, as a renegade province.

"As far as the present exercises are concerned, they (China) just consider this to be a military exercise of a normal nature ... They said other countries should not interfere in China's domestic affairs," Mr. Severino said.

Asked if the Chinese delegates have informed the Philippine panel on the possibility of using force to regain Taiwan, Mr. Severino said: "China has never ruled out the use of force in dealing with the question of reunification. However, they have always expressed that intention to bring about the reunification of China and Taiwan by peaceful means on the basis of one China, one country, two systems. The reason why they can't rule out the use of force is that they consider this matter to be a domestic affair."

#### Subic's Role [subhead]

Meanwhile, Subic Bay Metropolitan Authority (SBMA) chairman Richard J. Gordon said US navy ships being deployed to the Taiwan Strait can come to Subic and use its port on commercial basis if the departments of foreign affairs (DFA) and national defense (DND) would allow them.

Mr. Gordon told BUSINESS WORLD they were not advised of any port calls by US Navy ships already

cleared by the DFA or the DND other than the usual calls for purposes of replenishing supplies.

"The request is usually channeled through the Department of Foreign Affairs, the Department of National Defense. Once that request is granted then they can come in here," he added.

With the possibility of a China-Taiwan shooting war, Subic Bay, in terms of technical capabilities, can still accommodate carrier groups.

Subic still has ample berthing space for a US carrier and with the presence of Coastal Petroleum and transmission pipes, the Americans can still use the freeport as a refueling station.

Four US military vessels were scheduled to call the port of Subic within 18 March to 30 April. These were booked as early as 7 March and two — the transport auxiliary fuel ship USNS Niagara Falls and the submarine USS Bremerton — of the four vessels have already canceled their Subic call. It was not immediately known whether the cancellation has anything to do with the situation in Taiwan.

The two others ships scheduled to call the Subic port are the destroyer USS O'Brien, which is arriving 21 April, and the guided missile frigate USS McCluski, arriving 25 April.

#### APEC Meeting [subhead]

As this developed, senators yesterday said the Asia-Pacific Economic Cooperation (APEC) meeting in Subic this November may be jeopardized by an armed conflict.

Senator Francisco Tatad said it is necessary for President Ramos to contribute to the immediate reduction of tension in the area by offering his office for "constructive talks" between the parties.

Senator Gloria Macapagal-Arroyo said "Lest we be misunderstood, we shall rise to protect our shores and our territorial interests if these are in any way threatened by an escalation in the China-Taiwan conflict," she said.

#### Philippines Editorial Calls PRC Activity in Strait 'Stupid'

BK1503110896 Manila PHILIPPINE DAILY  
INQUIRER in English 10 Mar 96 p 8

[Editorial: "Intimidation"]

[FBIS Transcribed Text] China fired three missiles toward Taiwan last Friday, all programmed to land in the South China Sea but close enough to the island to rattle the Taiwanese and their government. Even as protests exploded in various capitals, it launched



another missile on Saturday again hitting a target close to the territory of the island it considers as its renegade province.

Chinese officials described the missile firing as "routine military exercises," but belied that smug assertion by unleashing a barrage of angry words and threats against Taiwanese leaders. President Jiang Zemin told the Chinese parliament on Friday the government would never abandon the threat of force to recover the island, which has been ruled by the Kuomintang since 1949. "Our struggle will not stop for a single day so long as Taiwan authorities do not cease activities to split the motherland," he said.

In a joint editorial, the PEOPLE'S DAILY and the PEOPLE'S LIBERATION ARMY DAILY held Taiwanese President Li Teng-hui "entirely responsible for the tension" and warned that he could bring "grave disaster" to the 21 million Taiwanese by his actions. Chinese officials accuse Lee of covertly working for Taiwan's independence. He infuriated them further by visiting the United States last year.

A number of observers have interpreted the missile firings as nothing more serious than an attempt to intimidate voters into rejecting Li when Taiwan holds its first direct presidential elections on March 23. In other words, they are nothing worse than a dummy skeleton popping out of a trunk in some scary carnival show. But what if the Taiwanese don't get intimidated and instead shout their defiance by giving Li a resounding victory? Will China, which is most sensitive about saving face, just grin and bear it? Or will it proceed to carry out its worst threats?

Taiwan has said it would retaliate if the missiles landed on its territory. If the missiles misfired (which isn't unlikely since Chinese missile technology isn't all that sophisticated), China could have brought on a full-blown shooting war.

Whatever the provocation and whatever its intention, China has committed an irresponsible, reckless, and stupid act. It's an act that cries for immediate universal condemnation lest Chinese leaders believe they can get away with terrorism or outright war.

China can hardly expect to panic an entire people, majority of whom don't even have the faintest idea of what's in the mainland, into embracing reunification. No one can deliver Taiwan into Chinese hands except the Taiwanese people themselves. And unless they have no pride left, the Taiwanese will not submit to Chinese rule under duress.

With this act of provocation, China has thrown the region into another era of uncertainty and instability. It

has served notice to its neighbors that it can no longer be regarded as a gentle giant: it will risk war or wage it to get what it wants, especially territory to which it has staked a claim. After Hong Kong in 1998 and Macau in 1999, it appears impatient to force Taiwan into a reunification. After that, what? The Spratlys, which is claimed by five other nations, including the Philippines?

Some observers think the last thing China wants is for the countries of ASEAN to enter into a defense alliance with Japan which will be backed by the West. If so, it's going about it the wrong way. Its more recent actions, including the stationing of troops in the Spratlys and incursions by Chinese ships into Philippine waters, only lends urgency to discussions about arrangements for mutual defense among countries in the region.

Which is a pity. Now that most countries of Asia have made great advances in the war against poverty, they may have to call a halt so that they can rearm for wars among themselves.

#### **Philippines: Air Agreement Signed With Jordan**

*BK1503103896 Manila PNA in English  
0043 GMT 15 Mar 96*

[Received via Internet]

[FBIS Transcribed Text] Manila, March 13 (PNA) — The Philippine Airlines (PAL) may now fly twice weekly to Amman in Jordan.

The Philippines and Jordan recently signed an air agreement for reciprocal rights. The accord was signed last March 6 in Amman.

Philippine Ambassador to Iraq, Rafael E. Seguis, who is also accredited to Jordan, signed the agreement for the Philippines, while Jordanian Ambassador Jaser Zayyed signed on behalf of his government.

The Philippine Embassy in Baghdad said the accord aims to establish and regulate Philippine-Jordan cooperation in air transportation and civil aviation.

Under the agreement, PAL and the Royal Jordanian Airlines are entitled to two weekly flights each between Manila and Amman. Ambassador Seguis said the air link was initiated by the two airlines in February last year.

Manila will be the Royal Jordanian Airlines' ninth destination in Southeast Asia.



**Philippines: Ramos Approves 1996 Investment Priorities Plan**

*BK1503124796 Manila PNA in English  
0052 GMT 15 Mar 96*

[Received via Internet]

[FBIS Transcribed Text] Manila, March 13 (PNA) — The 1996 Investment Priorities Plan (IPP) which lists the specific economic activities and necessary policies for the development of each region was approved by President Ramos during the Cabinet meeting yesterday.

In a message released after he approved the IPP, the president said his administration has committed itself to spreading the benefits of economic achievements to all Filipinos, acknowledging that it is only by uplifting the livelihood of the poor that the country can sustain the remarkable growth it is now experiencing.

The president stressed that the development of all the regions is one primary concern of his economic program for global competitiveness.

"We want every region to become a base for industries, and make every Filipino involved in international trade competition so that in doing so, he can attain for himself a comfortable and meaningful life," the president said.

The president expressed confidence that the 1996 Investment Priorities Plan will help the government attain its development goal and that both local and foreign investors will continue to participate in further strengthening the economic foundation for a stable Philippines.

The 1996 IPP categorized the preferred areas of investments as follows:

- Export-oriented industries, which include export producers, services for export, export trading, tourism, agro-export processing estates and activities supporting exporters;
- Catalytic industries, referring to those that exhibit the potential of being competitive in the export market;
- Industries undergoing industrial adjustment due to the effects of the opening of the Philippine market; and
- Support activities including infrastructure and services, environmental support facilities, research and development projects as well as projects that the government has declared to be priority programs because of their importance to the social and economic development of the country.

The 1996 IPP also included activities being promoted by the Autonomous Region in Muslim Mindanao (ARMM), including plans and programs of the BIMP-

EAGA [Brunei, Indonesia, Malaysia, Philippines- East ASEAN Growth Area].

According to Trade and Industry Secretary Rizalino Navarro, this year's IPP adopted the theme "Global Competitiveness Through Countrywide Industry Dispersal."

Navarro said that the 1996 IPP was conceived with the following specific goals:

- To further enhance global competitiveness of Philippine industrial products in the domestic and export markets with the introduction of new and superior technology;
- To increase exports by opening new market access opportunities;
- To support small and medium enterprise (SME) development and enhance industry's employment-generating capability;
- To increase agricultural productivity for food sufficiency;
- To set up and upgrade the infrastructure and support facilities necessary to promote agri-industrial and countrywide development;
- To ensure efficient environmental management and sustainable development of natural resources;
- To disperse industry and promote an environment that encourages transfer of technology, research and development; and
- To alleviate poverty particularly in the countryside.

Within these goals, the trade secretary said that the BOI [Board of Investments] has set a target level of P [pesos] 380 billion of investment for 1996 and formulated programs and approaches for implementation, including an increase in industry's productive capacity by at least 20 percent; increase in export of BOI-registered firms by 30 percent; and maintaining the share of SMEs in BOI-registered firms at 80 percent.

**Philippines Approves Development Projects Worth P7.4 Billion**

*BK1503111196 Manila PNA in English  
0043 GMT 15 Mar 96*

[Received via Internet]

[FBIS Transcribed Text] Manila, March 13 (PNA) — The National Economic and Development Authority (NEDA) Board, during its monthly meeting Tuesday, approved five development projects worth P [pesos] 7.4 billion, with two projects in the energy sector receiving the bulk of the amount.

The two power projects involve the construction of the 50- megawatt (mw) General Santos Diesel Power



Plant worth P1.5 billion and the 100-mw Zamboanga Diesel Power Plant worth P2.6 billion. The General Santos project will be implemented under the build-own-operate scheme.

Generated power of the General Santos project shall be transmitted to the grid through the existing General Santos substation while the power output of the latter will be transmitted through the existing Sangali substation.

The NEDA said the other three approved projects are in trade and industry, transportation, and agriculture sectors.

The Rural Microenterprises Finance project worth P1.7 billion would provide credit at lower-than-market rates, encourage private sector development and enable large numbers of ultra-poor women and their families to improve markedly their living standards.

The project under the transportation sector is the P1.3-billion President's Bridge Program which involves the installation/construction of 208 prefabricated steel bridges in 33 provinces. The British Government has offered to provide mixed finances, soft loan, and grant for this project.

The last project involves the P468.6-million Sustainable Genetic Improvement, Technology Development, and Technology Transfer of Water Buffaloes.

This is consistent with the 1993-1998 Medium-Term Carabao Development Plan of the Philippine Carabao Center which is aimed at wide-scale upgrading of the Philippine breed of carabao using imported riverine breeds of buffalo.

### Thailand

#### Thai Columnist Questions Banhan's Stand Over Taiwan Issue

BK1503100396 Bangkok KRUNGTHEP THURAKIT in Thai 13 Mar 96 p 2

[Column by "Kafae Dam"]

[FBIS Translated Text] Banhan Sinlapa-acha is a lucky man — astrologers must agree that his star is agreeable with international affairs. Who would have thought so, as he had a hard time struggling to become prime minister. However, upon reaching the top post he had to perform his duty as an international figure immediately, attending the APEC [Asia Pacific Economic Cooperation] meeting, the ASEAN conference, and ASEM [Asia-Europe Meeting] summit. On 24-29 March, he will visit China. Again, this visit will bring him into the spotlight of world attention, as he will also go to Shantou which is close to where China is conducting

live fire military exercises that the world is condemning right now.

Despite the uneasiness felt by several Asian countries over China's large-scale live fire military exercises, Banhan said his visit will not be postponed. China might claim that the missile test is an internal affair, but this will certainly create uneasiness and suspicion among its neighbors, including Thailand.

Banhan's visit to China, scheduled on 24 March, again coincides with Taiwan's presidential election. Whether incumbent Taiwanese President Li Teng-hui will be reelected will be known that day. It is really Banhan's fate to be placed in the middle of world controversies.

If Li Teng-hui wins the election, tensions between China and Taiwan will increase even more. It was Li Teng-hui indeed who prompted China to conduct the current "exercises". He said that Taiwan must be an independent country separate from China, and does not want Taiwan to be united with China. For Beijing, this is a direct threat and challenge, something one cannot forgive and forget.

On the day Banhan visits China, it will become clearer whether Li Teng-hui, the man so undesired by Beijing, would be reelected as Taiwan's president.

Such are the circumstance around which Banhan is supposed to meet Chinese leaders in Beijing, including Prime Minister Li Peng.

It has been widely speculated that Li Teng-hui would be reelected. By that time, tension between Red and White China would be higher, and condemnation of Mainland China would be much louder.

What should Banhan do in that circumstance in his capacity as Thailand's prime minister?

It is quite certain that Banhan will not postpone his visit to China as some local political observers wish. They want to project Thailand's disapproval of China's show of force, a "signal" to others that we too do not like it.

If China can do that to Taiwan, it can do that to others, that is, settling problems through the use of force in future. With the presence of a bullying big brother, this would create fear and uneasiness for Thailand and other countries regarding security in the region.

Those close to Banhan believe the Thai prime minister does not want to postpone his visit because Thailand's policy holds that the Taiwan issue is an domestic problem of China's and thus irrelevant to Sino-Thai relations. Thai policy on China is founded on the agreements reached when diplomatic ties were established



in 1975, in which Thailand pledged to uphold the one-China policy and not to get involved in China's "internal affairs."

Serasin Wiraphon, the Foreign Ministry's deputy permanent secretary who has been a China watcher since he was a university lecturer, admitted during his FM 90.5 radio talk program on Tuesday that, although he claimed the current China-Taiwan tensions were irrelevant to the visit, how can Prime Minister Banhan avoid talking about this matter when he meets Chinese leaders.

What is important is when he discusses the China-Taiwan issue with the Chinese leaders, is he going to offer sympathy for Beijing, or will he show apprehension?

Is the military exercise "irrelevant" because Chinese bullets and missiles did not land near Thailand and therefore should not be a cause of concern for us?

Or is it because, as a neighboring country, we should take an impartial stand and watch two brothers fighting, and to wait until the row is over and side with the winner?

The moment will judge Banhan as a statesman or an ordinary politician.

How will he conduct himself before his host during the visit to Shantou amid the roar of the war games?

"Are you going to play games only with your little brother, or are you going to play the same games with your neighbors?"

Will he congratulate him or dare pat his shoulder and tell him: "Cool down, big brother. We can just settle this little matter by talking."

What role will Banhan choose to play?

**Thai Official: Amnesty Members 'Could' Face Visa Ban**

*BK1503041196 Bangkok BANGKOK POST  
in English 15 Mar 96 p 4*

[Unattributed report]

[FBIS Transcribed Text] Members of Amnesty International could be blacklisted for campaigning against China's human rights record, Interior [Ministry] permanent secretary Ari Wong-araya said yesterday.

The Foreign Ministry might be asked to rescind the visas of members of the international human rights organisation, he said.

Denying he was behind the move to detain two Amnesty representatives, Mr Ari claimed: "I did not order the

detention. But the way I see it, these people engage in activities detrimental to the country's image.

"If they want to protest against the detention or sue the police, feel free," he said.

The police came under fire after they detained Anita Tiessen, Amnesty's media director, and Pierre Robert, a researcher, to inspect their travel documents.

Ms Tiessen and Mr Robert had been apprehended by the police as they left their hotel and were detained at Bang Rak police station for 90 minutes on Wednesday.

Their detention delayed their arrival at the Foreign Correspondents Club of Thailand [FCCT] for a conference on human rights abuses in China. Amnesty has accused the authorities of trying to silence them.

The police maintained they simply invited them to the station and did not press charges.

The detention prompted the Union for Civil Liberties to accuse the Government of trying to intimidate human rights advocates and disrupt the conference.

The union also said the police had ordered taxi drivers not to pick up Ms Tiessen or Mr Robert in a further attempt to keep them from the conference.

Despite the detention, Amnesty proceeded with the conference as scheduled without any disturbances.

Mr Ari claimed the London-based Amnesty was conspiring to discredit Thailand.

There was no way the authorities would let the group use the country as a platform for attacks on China or other countries which have good relations with Thailand, he said.

Prime Minister Banhan Sinlapa-acha is due to visit China late this month.

Deputy Interior permanent secretary Damrong Watthanasing said the police had not meant to arrest the Amnesty representatives. They merely wanted to check their papers.

"What right do these people have in turning our country into a makeshift platform (for criticising China)? Our prime minister is planning to visit China soon," said Mr Damrong.

Deputy Prime Minister Amnuai Wirawan joined in, saying the authorities had been right to intervene in the group's activities.

The FCCT had nothing to do with the organisation of the Amnesty conference, said Mr Amnuai, and there was nothing to stop the group renting the club's premises.



Mr Banhan said Amnesty should carry out its campaign outside Thailand. He stressed the importance of adhering to the one-China policy.

#### **Thai Daily Criticizes Police Detention of Amnesty Activists**

*BK1503050396 Bangkok BANGKOK POST  
in English 15 Mar 96 p 4*

[Editorial: "'Shooting the Messenger' Policy Can Only Backfire"]

[FBIS Transcribed Text] The arbitrary detention of two Amnesty International activists by Thai police on Wednesday in a bid to prevent the organization from launching its new report on human rights abuses in China was but the latest in a string of similar events. These clearly demonstrate the Thai Government's increasing intolerance over the use of Thai territory by foreign non-governmental organisations or activists to launch attacks against governments regarded as friendly to Thailand. The incident also raised a big question mark over how far Thailand would go in compromising the principles of human rights and freedom of expression in return for maintaining a good relationship or for trade gains.

The two Amnesty International officials who were escorted to Bang Rak police station by plainclothes policemen were held in police custody for about two hours without any formal charges. They were eventually released and were able to join their four other colleagues at a press conference to launch their comprehensive report documenting alleged human rights violations on a massive scale in China.

To blame the policemen who carried out the "arrest" and brief detention of the two Amnesty International activists would be unfair because they merely acted on an order given by someone higher up in the Ministry of Interior who should be held responsible. The action itself was totally unjustified and constituted a violation of human rights because the two persons had done nothing wrong. Giving a press conference or distributing publications critical of another government is not regarded as an offense, but permissible in a democratic society like Thailand.

It was unclear whether the police action stemmed from a request from the Chinese Embassy or from the initiative of a senior interior official. But Prime Minister Banhan can now rest assured that he will receive a warm and cordial welcome from the Chinese leaders when he visits China from March 24-29. Even if the attempt to stop the human rights organization from holding the press conference failed, Beijing could not blame the Thai Government for having done nothing.

On the other hand, the same police action cast Thailand in an unfavourable light in the eyes of the international community. Reports of the incident have already been circulated worldwide by the foreign news media. It would probably take the Foreign Ministry more than just their arguments such as "Why should they use Thailand to attack a third country?" or "Why now? The prime minister is soon to visit China." To explain just why the decision was taken to compromise the principles of human rights and freedom of expression.

Bolstered by its growing economic muscle, Thailand has, of late, tried to exert itself by playing a more active role in the international arena. This was clearly manifested when Thailand played host to the Asia-Europe summit on March 1-2 and other regional and international meetings held earlier.

But while thinking big, our government leaders are still inflicted with the so-called "little country" mentality. They still do not have the courage to criticise the wrongs committed by friendly governments for fear of offending them. Which explains why this country did not utter a word of disapproval when East Timor was invaded by Indonesia during the 70's, or when China took over by force some limestone outcrops in the Spratlys Islands or when China intimidated Taiwan with live missile tests.

Harassment of the Amnesty International activists is totally unnecessary and makes this country look bad. To blacklist them as is being considered by the Interior Ministry would make matters even worse. As a sovereign state under democratic rule, the Government should be able to tell Beijing that it cannot suppress freedom of expression or muzzle press freedom the way the Chinese Government has been doing with its own people and media. Unless, of course, the Government itself condones human rights abuses.

#### **Thailand: Banhan Not To Discuss Border Checkpoints in Burma**

*BK1503045596 Bangkok BANGKOK POST  
in English 15 Mar 96 p 3*

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] Rangoon — Rangoon has been told that Prime Minister [PM] Banhan Sinlapa-acha's official visit is intended to lay the foundations for future ties, not to negotiate the reopening of three key border checkpoints.

The reopening of the check points, ordered closed by Rangoon last year, was not a subject for negotiation



by the Prime Minister, said Kopsak Chutikun, director-general of the Foreign Ministry's economic affairs department.

"His primary aim is to talk about the overall relationship between Thailand and Burma and lay the foundation for future cooperation," he said yesterday.

Mr Kopsak arrived in Rangoon on Wednesday with colleagues from ministries concerned to finalise four remaining points on the border trade agreement to be signed by Foreign Minister Kasemsamson Kasemsi and Rangoon's Minister of Trade Lt-Gen Tun Kyi, during the visit.

He said he had sought assurances from Rangoon that the checkpoints would be reopened before the visit.

"It's not a precondition but it's a factor the Prime Minister takes seriously because Thai people are watching," he said.

Mr Kopsak said hesitation was building in Bangkok in the lead-up to Mr Banhan's visit, planned for March 17-18, because, Rangoon has remained silent on the checkpoints.

An aide to Deputy Army Commander Chettha Thanacharo said Lt-Gen Khin Nyunt, Secretary-1 of the ruling State Law and Order Restoration Council (SLORC), had given a personal assurance two checkpoints would reopen tomorrow.

But there has been no confirmation so far from Rangoon to the Foreign Ministry or the PM's Office in Bangkok.

A source at Foreign Ministry in Rangoon said Lt-Gen Khin Nyunt wanted to obtain direct guarantees from Mr Banhan that Thai authorities will stop smuggling and a recurrence of old problems at the border before reopening the checkpoints.

The source said March 27 which coincides with Burma's Armed Forces Day, was a more likely date for the reopening of the Mae Sai and Ranong checkpoints.

Mr Kopsak said Burmese officials held a two-hour meeting after he made his point and came out to say "no problem don't worry". He did not name the official, who mentioned no date.

Mr Kopsak said he reported back to the Foreign Ministry in the evening and as of last night, the visit was still on.

The director-general held talks yesterday with U Kyaw Myint, director-general of the Trade Department, Trade Ministry, on the four remaining points of the border trade agreement: immigration, customs, trade and banks.

He said Rangoon still cannot agree with the proposal for the six Thai banks with offices in Rangoon to be used in the border trade. It wants only one or two banks.

On immigration issues, Mr Kopsak said the Thai side has agreed to reciprocate by adjusting immigration rules to allow Burmese traders to remain in Thailand for three nights and four days for trade. The present rule allows only a 24-hour stay.

On the trade issue, Rangoon has agreed to remove 28 items from its prohibited commodities list, including jade, gems and jewellery, teak, cattle and buffalos, antiques and minerals.

Mr Kopsak said these remaining technical points will not stop the inking of the border trade agreement, as both sides did not expect everything to be settled by this weekend. He expected all details to be settled by next month.

A delegation from the Thai Bankers' Association is due in Rangoon next month to try to find a compromise on the banks issue in the agreement.

Mr Kopsak quoted U Kyaw Myint as saying the agreement will finally "normalise, legalise and liberalise" border trade.

He said Rangoon officials were ready to explain the content of the agreement to traders in due time. "It's going to change from border trade to normal trade at the border."

#### **Thailand: EGAT Concludes Deal To Buy Electricity From Laos**

*BK1503045996 Bangkok BANGKOK POST  
in English 15 Mar 96 p 17*

[Unattributed Report]

[FBIS Transcribed Text] The Electricity Generating Authority of Thailand (EGAT) has struck a 25-year electricity purchase deal with Thai-Lao Lignite Co (TLL).

Under the deal, EGAT will buy electricity from TLL's one-billion-dollar lignite-fired power generation project in Laos.

The heads of agreement was recently concluded after the Thai state power authority and TLL, part of Thailand's Ngam Thawi group, negotiated an agreement on long-standing differences over power tariffs.

Both parties agreed on the 1994 base price of 4.4 US cents per kilowatt/hour (kWh) plus annual escalation factors. As a result, the price was levelled at 5.7 cents/kWh for the time being.



EGAT general manager Pricha Chungwattana confirmed the "Hong Sa" agreement to BUSINESS POST. The accord represents the fourth power purchase agreement EGAT has reached with developers of several power projects in Laos under the June 1993 memorandum of understanding signed by the Thai and Laotian governments.

That memorandum called for Thailand to purchase 1,500 MW of power from Laos by the year 2000 on the condition that those power projects must involve Thai investors.

The 600-megawatt power sale under the Hong Sa scheme raises EGAT's combined power purchase from the four Laotian projects to 1,640 MW.

The three other projects EGAT has concluded basic purchase agreements with are the Teun-Hin Boun (210 MW), Nam Thuen II (680 MW), and, more recently, Houai Ho (150 MW). All of those projects involve hydropower.

EGAT is now negotiating a full contract with TLL to begin purchasing power from Hong Sa in 1998. EGAT first began negotiations with TLL in 1994.

The Hong Sa project involves a 600-MW power station and an associated lignite mining operation in the northern Laotian province of Sianghon Hong Sa.

With consultancy services provided by EGAT, TLL discovered rich low-sulphur lignite deposits in the 60-square-kilometre mine concession granted earlier to TLL.

Exploration conducted in 1994 indicated the presence of some 220 million tons of lignite deposits in part of the concession area and that amount was said to be sufficient to run the 600-MW power station for 60 years.

Laos has confirmed that it has ten electricity projects, most of them hydro, that involve a total of 4,300 MW of generating capacity. They could be developed for the purpose of exporting electrical output to Thailand.

#### **Thailand: More Investment Incentives Planned for Foreign Firms**

*BK1503054696 Bangkok THE NATION in English  
15 Mar 96 p B1, B2*

[Report by Chirawat Na Thalang]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha will shortly announce a new package of Board of Investment [BoI] non-tax incentives to promote Thailand as a regional base for multinational companies.

The new package will go beyond Commerce Ministry measures to assist foreign representative offices and will include easier visa applications for foreign businesses.

The non-tax privileges are a part of the BoI's efforts to find new roles to suit the changing business environment, Sathaphon Kawitanon, secretary-general of the BoI investment promotion agency, said.

In addition, he told the Foreign Correspondents' Club of Thailand on Wednesday that the Industry Ministry also plans to phase out local content requirements from the automobile sector now that the Thai components industry is more cost effective than in the past.

In addition, he said the free trade requirements of the World Trade Organization will force Thailand to phase out the restrictive conditions, which were designed to attract foreign investment, within five years.

The BoI will shortly phase out local content requirements for areas including car and motorcycle production, he noted.

Looking ahead to the next century, Sathaphon described the outlook as "a new and exciting time for the BoI." Over the past 20 years, the BoI has successfully encouraged foreign investors to establish manufacturing bases through conditions such as local content and export ratio requirements when the average cost of locally-made parts was higher than imported parts.

But the situation has changed, Sathaphon asserted. Local component companies are more cost competitive. "We do not need as many local content requirements as we did before," he said.

Moreover, Thailand does not aim to become merely a manufacturer but wants to establish itself as a regional hub for multinational companies, Sathaphon said.

To achieve the goal, the BoI has also addressed the question of work permits. The BoI can play a role in this regard to make Thailand a centre for business in the region," he said.

The BoI chief said the agency found that under the Alien Business Law, or National Executive Council Announcement No 281, there are some items in B and C categories that the BoI can provide to facilitate the movement of foreign employees.

The BoI, for instance, can grant non-tax incentives such as the right to buy offices.

"But our preliminary target is not 'one-man-one-desk' offices with some five people but regional headquarters of 50 employees, so we have set the minimum spending level at Bt10 million," he said.



The Bol will help the business community bring people here to work. The Commerce Ministry has already granted non-tax privileges to workers at representative offices, but they cannot carry out transactions.

Under Bol promotion, however, they will be able to buy and sell, he said.

Non-tax measures will be provided to trade and investment promotion offices such as management offices assigned to conduct tests for ISO 9000 certification.

After Prime Minister Banhan Sinlapa-acha signs an executive order granting non-tax privileges, the Bol will be able to begin giving non-tax benefits to foreign businessmen.

### **Thai Daily Discusses Merit of Foreign Ownership of Property**

*BK1503054796 Bangkok BUSINESS DAY in English  
15 Mar 96 p 4*

[Editorial: "Opening the Door on Foreign Ownership of Property"]

[FBIS Transcribed Text] Legal prohibitions against foreign ownership of most types of real estate property in Thailand urgently need to be reviewed. Existing policies have to be examined and where necessary changed and not only because there is a vast oversupply of residential units on the market in the Bangkok Metropolitan Area. The issue of allowing foreign ownership is admittedly complex but this is no reason for missing an opportunity to reap some national benefit from the blight of vacant dwellings.

One way to assess the social and economic impacts of foreign ownership of real estate is to look at situations in other parts of the world. For example, Thailand can draw valuable lessons from the experience of Hawaii.

About ten years ago, Japanese buyers fell head over heels in love with American real estate, with properties in California and Hawaii being the main targets. In the case of Hawaii, where home prices were already unconscionably exorbitant, the tidal wave of Japanese purchasing power catapulted the average price of very ordinary small houses up to nearly \$300,000 (7.5 million baht) in 1986.

There was understandably a great deal of resentment among the residents in Hawaii who were priced out of the market.

On the other hand, the local economy got a huge cash injection, people who sold their homes were laughing all the way to the bank, and in due time the buying frenzy subsided.

Then the US economy went into decline and the real estate market crashed, and so the laws of supply and demand took command, causing average home prices in Hawaii and California to drop precipitously — in many cases by more than a third in less than five years. A little later the value of the dollar relative to the yen collapsed, compounding the losses to Japanese investors who were forced to cash out.

The lesson here is that as long as the laws of supply and demand are allowed to prevail in the market place, there is no need to worry that permitting foreign ownership of properties will cause prices to be excessively high forever. On the contrary, if foreign buying depleted the supply — and this is an unlikely occurrence in Thailand — developers would quickly put more units on the market, increasing the supply for citizens and non-citizens alike.

There is a subjective and emotional component to the debate over foreign ownership of property, and as long as Thailand is a "rich" country only in terms of the Bangkok Metropolitan Area there is always the danger that international conglomerates will snap up properties in other parts of the country to the detriment of local residents. Here a careful examination of the issues is likely to yield a workable compromise whereby certain, possibly geographic, restrictions may apply. And as long as these restrictions further the interests of social equity, they are justifiable.

### **Thailand: Rice Exports Increase at 'Satisfactory Rate'**

*BK1503040896 Bangkok Radio Thailand Network  
in English 0000 GMT 15 Mar 96*

[FBIS Transcribed Text] Thai rice export during the first two months of this year increased at a satisfactory rate, amounting to one million tons. Director General of the Department of Foreign Trade Pracha Charutrakunchai said Thailand is expected to export 450,000 to 500,000 tons of rice this month. The volume is considered high when compared with that of the same period last year.

Mr. Pracha said Thailand is accelerating its rice shipment to foreign buyers to stabilize local prices during the time when the second rice crop is sold in the domestic market. From this month until next month, no less than 120,000 tons of Thai rice will be shipped to the Philippines and Iran.

Mr. Pracha will next week lead a Thai delegation to Brunei Darussalam to conclude an agreement under which Thailand will sell 27,500 tons of rice to that country. Thai trade team will also be sent to Iraq, Russia, and countries in Eastern Europe and the Middle East



to seek new markets for Thai rice. Mr. Pracha said the volume of Thai rice ordered by foreign buyers has increased rapidly during this period.

**Thai Defense Paper Outlines Need for a Stronger Military**

*BK1503050196 Bangkok BANGKOK POST  
in English 15 Mar 96 p 2*

[Report by Watsana Nanum]

[FBIS Transcribed Text] Peace and stability are priorities but the military must be strengthened to counter internal and external threats, according to the Defence White Paper 96.

In the paper, to be distributed at next week's Asia-Pacific security talks at Suan Samphan, Defence Minister Gen Chawalit Yongchaiyut said the country must have the ability to deal with threats stemming from economic rivalry.

The end of the Cold War had seen a change from direct confrontation born of ideological differences to economic competition. Political blocs were being transformed into economic blocs, which meant economic disputes will play a greater role in national security."

But the end of the Cold War did not herald an era of peace. "On the contrary, the country must prepare even stronger armed forces, since the chance for conflicts in other fields has grown. The armed forces must improve their capabilities to equal neighbouring countries," said the paper. It predicted that unclear border demarcation will complicate relations with neighbours.

The paper said the purchase of two diesel attack submarines and a helicopter carrier would help the navy protect "maritime national interests in coastal areas, the continental shelf and exclusive economic zone including shipping."

Rival claims to the Spratly islands in the South China Sea could not be overlooked, it said.

Turning to the Army, it emphasised compact equipment of high destructive power. "Artillery range and fire control systems must be developed to attain maximum missiles and attack helicopters, and anti-aircraft weapons will also include missiles. Battlefield surveillance equipment must be developed and improved for night operations," said the ministry paper.

Despite the emphasis on sophisticated and potent equipment, the paper said preventive measures should be applied to settle disputes before they escalate.

**Thailand: Seminar on Social Development Plan Meets**

*BK1503040996 Bangkok BANGKOK POST  
in English 15 Mar 96 p 1, 3*

[Unattributed report]

[FBIS Transcribed Text] A blueprint for the first human-oriented national development plan will be put to a national seminar today for a final session before implementation next year.

Some 1,800 politicians, civil servants, academics, NGO [Non-government Organization] and community leaders are expected at the last public hearing to thrash out ideas and recommendations for the Eighth National Economic and Social Development Plan (1997-2001).

The plan has become a target of harsh criticism from some academics, mostly economists, who say it focuses too much on intangibles such as human issues while failing to produce sufficient guidelines for economic development.

Sumet Tantiwetchakun, secretary-general of the National Economic and Social Development Board [NESDB], was aware of the criticism but said: "I cannot care too much about it."

Only human-centred policy making can best carry the nation on a sustainable development path, he said.

Mr Sumet said, however, that everything was set while he and his team were getting ready for the event at the Queen Sirikit Convention Centre to be chaired by the Prime Minister and attended by the Cabinet.

With several sessions that saw thousands of business people, NGOs, grassroots organisations and the media sharing views on what direction the nation should take, the blueprint is believed to be the first attempt to get to the root of human concerns.

The eighth plan, studied and prepared by the NESDB with opinions collected from various seminars and public hearings, is best characterised by its human-oriented development concept and the promotion of popular participation.

Mr Sumet said the thrust of the blueprint lies in the belief in human potential and development is prerequisite to sustainable development.

Board figures show although Thailand has been successful with its economic progress with business expansion and per capita income rising 32-fold from 2,100 baht in 1961 to 68,000 baht in 1995, the progress did not come without sacrifice.



Economy-centred planning without proper regard to the human side and the rape of natural resources to boost production have exacerbated social ills such as poverty, prostitution, degraded environment as well as the decline of the local community.

Development in this direction is viewed as not sustainable and could eventually undermine the standard of living.

Mr Sumet said the holistic approach takes into account the community, the economy, the administration and natural resources which have to support one another, with human welfare and development at the centre.

The blueprint is designed as indicative planning to be adopted by policy makers of each agency to best suit their needs and to achieve unity of policy at the national level.

Social and economic conditions, meanwhile, have to be adjusted or developed in such a way that is suitable and supports the people's well-being.

As a result of many sessions held nationwide to gather ideas from all sections of society for "perfect" planning, the board has come up with some of the major guidelines:

- Development of individual potential.
- Life-long education.
- Support for community role.
- Rural development.
- Environmental conservation.
- Promotion of good government people and cooperation at all levels.

Within five years of implementation, said Mr Sumet, the board will also develop human and social development index to evaluate progress with consideration given, for instance, to access to basic public service, family and community development, government agencies' efficiency, as well as health condition and intellectual ability.

The indexes are currently being studied and invented to be ready for use before 2001, he said.

Realising effective implementation can largely be achieved through the government mechanism, he expressed hope civil servants would understand the importance of human resources and popular participation.

## Vietnam

### SRV: Assembly Deputies Vote on Mineral Resources Law

*BK1403155296 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Mar 96*

[FBIS Translated Text] This morning, the deputies of the ninth session of the ninth National Assembly had group discussions on the draft ordinance on the concrete duties and power of the people's councils and the people's committees at all levels, the regulation on the organization and operation of the people's councils and the people's committees at all levels, and plans to revise some articles in the ordinance on the rights and duties of national organizations which are granted or have leased government land. The deputies unanimously agreed on the issues of the draft ordinance to be discussed as well as existing articles that needed revision.

As regards to the above draft ordinance on the concrete duties and power of the people's councils and the people's committees at all levels and the regulation on the organization and operation of the people's councils and the people's committees at all levels, the deputies held that the ordinance and regulation must become principles. This is so that all localities, local authorities, and people's committees can build their government mechanism of the people in an orderly and regulated way. The ordinance and the regulation must clearly define the borders, powers, and responsibilities between the people's council and the people's committee, especially at the subward and village level. It should also clearly define the responsibilities of the people's council and the people's committee at the same level such as the subward and village level, the precinct and district level, and the city directly subordinated to a province. The deputies held that these people's council and people's committee operation differently in different localities though they are at similar levels structurally.

In the afternoon, the deputies continued to work at the Conference Hall under the chairmanship of National Assembly Vice Chairman Phung Van Tuu. Comrade Luu Xuan Quy, on behalf of the compilation committee for the law on mineral resources, presented the full text of the bill to the National Assembly. The bill was supplemented by views contributed by the deputies. Before voting on each chapter of the bill, the deputies offered many suggestions on the various articles to perfect the bill. Then, they approved each part of the bill.

By the end of the afternoon session, the National Assembly approved the name, the preamble, and chapter one of the law on mineral resources. Tomorrow, the



National Assembly will continue to pass other parts of the law on mineral resources in the Conference Hall.

**SRV: National Assembly Issues Communiqué No. 10**

*BK1503030896 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Mar 96*

["Communiqué No. 10" issued by the Ninth National Assembly in Hanoi on 14 March]

[FBIS Translated Text] At the 14 March morning session, the National Assembly held group debates on a draft ordinance on the duties and rights of people's councils and people's committees at each level, and on draft operating procedures of people's councils at all levels.

At the afternoon session, the National Assembly worked in the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu to approve the draft law on mineral resources. The National Assembly heard Minister of Industry Dang Vu Chu present a report on views contributed by the National Assembly deputies to the revision of the draft law on mineral resources on behalf of the Session Secretariat; the Compilation Committee of the Science, Technology, and Environment Commission; and the National Assembly Legislative Committee.

After Comrade Luu Xuan Quy presented the text of the draft law on mineral resources on behalf of the Session Secretariat, the National Assembly approved this draft law chapter by chapter. The National Assembly unanimously approved the preamble of the draft law. Altogether, 22 National Assembly deputies presented their views on Chapter One, dealing with general provisions. They included: Nguyen Viet Dung and Phan Van Bi (Ha Bac); Tran Du Lich, Chu Pham Ngoc Son, and Pham Phu (Ho Chi Minh City); Hoang Bich Son (Binh Thuan); Trinh Chan (Ha Giang); Le Van An (Binh Dinh); Do Van An (Son La); Dinh Van Tin and Phung Cong Toan (Vinh Phu); Vo An Bang (Gia Lai); Doan Dinh Cau and Phan Thu (Ha Tay); Nguyen Viet Hoe (Quang Ninh); Pham Thi Tran Chau (Hanoi); Nguyen Nhu Vy (Nghe An); Tran Minh Xuan (Khanh Hoa); Lam Phuc Phu (Yen Bay); Nguyen Dang Lam and Nguyen Don (Quang Nam-Da Nang); and Ha Thi Khiat (Tuyen Quang).

On behalf of the Compilation Committee, Comrade Vu Dinh Su considered the views of the National Assembly deputies, and elaborated on a number of issues raised by the deputies. The National Assembly voted for passage of Chapter One of the draft law on mineral resources.

The National Assembly will work in the conference hall tomorrow.

**SRV: National Assembly Deputies Vote on Cooperatives Bill**

*BK1503113596 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Mar 96*

[FBIS Translated Text] Today, deputies of the ninth National Assembly's ninth session worked in the Conference Hall under the chairmanship of National Assembly Vice Chairman Phung Van Tuu. The deputies continued to pass each article and chapter of the bill on mineral resources.

In the afternoon, the National Assembly passed the bill on mineral resources. Also in the afternoon session, the National Assembly started considering the bill on cooperatives.

Comrade Do Quoc Sam, minister of planning and investment, read a report on the deputies' combined opinions on the bill on cooperatives. Comrade Ly Tai Luan, chairman of the National Assembly's Legislation Committee presented the revised bill on cooperatives after taking into account opinions expressed by the deputies.

On 16 March, the National Assembly will work in the conference hall to continue passing the bill on cooperatives.

**SRV: Do Muoi Says Party To 'Openly Publish' Documents**

*BK1403133396 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Mar 96 p 2*

[Report by To San]

[FBIS Translated Text] During a break, a National Assembly deputy who is also the party general secretary answered various questions raised by newsmen in their meetings with National Assembly deputies from various parts of the country. These "lightning" interviews conducted by the newsmen had consumed a fairly large amount of time. On the morning of 2 March inside the spacious Ba Dinh Conference Hall, a large number of local and foreign newsmen surrounded the general secretary. A series of questions were raised. His answers were simple and open. The newsmen asked questions about party organization congresses at the various levels, about the [upcoming] national party congress, about the trend toward personnel structures, and about the CPV's determination to lead the country spiritedly into the 21st century.

Tape recorders recorded the comrade general secretary's statement: The party is about to hold a congress.



It has no private business to discuss. It will only discuss national affairs and the people's businesses. It is preparing things for the country and the people. Therefore, in preparing for the Eighth Party Congress, the entire people will be discussing the political report as will the Fatherland Front. In the next few days, we will openly publish such [party congress-related] documents. To whom our party belongs? It is the party of the working class and people. The party is addressed everywhere as "our party." In this renovation, everything is for the people, by the people, and from the people. Whoever shows off he cares for the people but is in fact only concerned about himself is unacceptable.

Laughter roared at the veteran combatant's remarks. Asked to speak some words to the younger generation, the comrade general secretary tapped the young reporter who raised that question on his shoulder and said to all those present:

My generation succeeded in realizing the cause of national liberation and unification. Now it is the turn of your friends to take up the national cause. You, friends, must safeguard the country forever. You must eliminate hunger and poverty, build an equitable and civilized society, and make everyone rich, every household prosperous and wealthy. These are the three steps designed to realize our ideals. Thus, your generation has two duties, namely maintaining national independence and making our people prosperous, our country powerful, and our society equitable and civilized. Our party is preparing you for the fulfillment of your heavy duties.

Amid an atmosphere filled with elation and confidence in the younger generation, a female foreigner [correspondent] asked her colleagues to let her resume the interview and this request was gladly accepted by the secretary general.

[Correspondent] Among the three draft laws to be presented before this National Assembly session, which will be the subject of the hottest debate?

[Do Muoi] The draft law on finance and budget.

[Correspondent] Why?

[Do Muoi] Money is the most important issue. Everything needs money.

[Correspondent] So, will the government ask better-off localities to contribute more to help poorer ones?

[Do Muoi] Absolutely right.

[Correspondent] Will the rich agree with this?

[Do Muoi] Our Vietnamese people have the tradition of using good leaves to cover over those which have been

torn away, and using better leaves to cover over those that have been badly torn off.

[Correspondent] It is reported that last year rather large contributions were mobilized from some localities to the central budget. Is this correct?

[Do Muoi] Correct.

[Correspondent] Did they make any complaints?

[Do Muoi] Everything has its limit. It is impossible to exceed this limit. We cannot eat the soup if too much or too little salt has been added into it. You, as a woman, may know this better than me.

Following roars of laughter from dialogues on economic matters, the newsmen suddenly shifted the discussion to politics.

[Unidentified correspondent] Could you, comrade, tell us of our party's plan to recruit leading cadres for future generations?

[Do Muoi] First, we must step up the party recruitment of youths for leading the country. Second, we must rejuvenate state organs and the National Assembly. Only young people have the energy to work constantly. In this way, you will, of course, have to forge yourselves both in terms of ethics and talents. If a talented cadre does not have ethics, he will seek ways to exploit the people. This is unacceptable. It is also equally bad if a cadre is incompetent although he has good ethics.

The conversations seemed to be never-ending. Everyone wanted to ask as many questions as possible, forgetting the fact that the break was long over.

#### SRV Officials on Renovation, Solving Social Problems in Rural Areas

963E0008B Hanoi TAP CHI CONG SAN  
in Vietnamese Oct 95 pp 10-13

[Article by Bui Ngoc Thanh, vice chairman of social affairs at the National Assembly, and Nguyen Huu Dung, director of the International Office at the Ministry of Labor, War Invalids, and Social Affairs]

[FBIS Translated Text] One of the key problems in formulating a rural social policy is to determine the relationship between economic development policy and social policy in the rural areas. What this means is that we must clarify: the nature of society and social targets in economic policies, the conditions and capabilities of the economy in implementing rural social policies, the coordination between economic and social targets in formulating economic policies and social policies, and the rational boundaries between social policies and economic policies. Actually, this means



clearly defining the relationship between developing the economy, implementing social fairness, and maintaining social progress.

The models for handling the relationship between economic development and social development are usually targets that are selected for determining a country's development strategy. Based on the experiences of the developing countries, economic growth and [social] fairness are not in total conflict. With a correct development policy, it is possible to increase fairness even during the initial stage of development. This means that the relatively independent nature of social policy must be examined in order to concentrate attention on the social aspects of socioeconomic policy. But at the same time, the uniformity between economic policies and social policies must be exploited in order to hit the common development targets.

Uniformity between economic policies and social policies is manifested in a number of aspects:

1. Uniformity in the general targets of economic policies and social policies: The targets of economic policies are economic growth, economic results, and an increase in GDP. The targets of social policies are to maintain stability, constantly improve the quality of life, and maintain social safety and social fairness. The economic targets and the social targets share a common point, that is, all are aimed at developing society. Thus, all economic and social policies must be aimed at developing people, exploiting the human factor, and dealing with the rights and obligations of citizens in a rational manner. The social policies of the party and state are aimed at the target of developing people, because this target is the key element that distinguishes socialism from capitalism and that distinguishes socialist markets from markets in general.

2. Social policy is a factor of development and is part of the development factor. Thus, investing in social policy is investing in development. The organic relationship between economic development policy and social policy is manifested by the fact that having a correct economic development policy will create the material preconditions for solving the social problems. Conversely, solving the social problems will create favorable conditions for economic development. However, there will always be a rational and unbridgeable boundary between economic policy and social policy in conditions in which a market economy is being developed. If that boundary is breached, it means that we will find ourselves in one of two situations: either we will build a system of social policies that is not in accord with economic capabilities (the policies may be good, ethical, and correct but we will not have the capabilities to implement them be-

cause of not having the material conditions) or we will focus our attention on economic growth and slight social responsibilities (with the result that we will neglect to invest a suitable amount to solve the social problems, "burning issues" will arise and create social turmoil, and these things will naturally limit and even destroy economic growth and hold back social development).

3. By itself, economic growth cannot solve all the social problems. Thus, there must be policies and programs to solve specific social problems that are in accord with each target and location (area) in each time period. The programs to solve the social problems must be carried on at the same time as and in conjunction with the economic development programs. The causes of the social problems, particularly the burning social problems, stem from deep within the economy. Thus, social policies and programs must be implemented using economic solutions, and these must be in accord with the development viewpoints. This should not be done in a bureaucratic way by providing free subsidies as was done before. For example, the policies and programs to eliminate poverty in the rural areas must be implemented based on changing the labor structure, increasing investment, enabling poor people to borrow money at low rates of interest, expanding services, teaching skills, providing guidelines concerning work methods, and transferring suitable technology.

4. Economic growth can promote social development, but by itself it cannot lead to social progress. Because talking about social progress means talking about the quality of social development, and this is dependent on the social system and on viewpoints concerning values and the system of values. Put another way, social progress must come from having social policies containing the ideas of the classes, people, and age in order to create a new system of values that is in accord with the general tide of social progress.

Defining a rational boundary between economic policy and social policy in conditions of developing a market economy is a very important problem, because this is tied to state investment in social policy, to the selection of targets that need to be given priority, and so on in order to oppose voluntarism and overcome the tendency to follow purely free market viewpoints. But this is a very complex problem from a theoretical, practical, and methodological standpoint, and it is difficult to approach. This is because a rational boundary must be one where there is an optimum level of coordination between economic policy and social policy, and this coordination must have a positive effect in promoting development and social progress.



To define a rational boundary in formulating economic policies and social policies in the rural areas, the important thing is to analyze the policies and see what their positive and negative effects are. But in reality, these effects cannot be separated but are interwoven with each other within a uniform whole and are manifested in the factors affecting social fairness in the rural areas. A number of the main factors that exert an effect are:

**The rate of increase in the incomes of the rural households:** In a market economy, the incomes of the rural households tend to vary depending on the variation in commercial production and jobs.

**Job creation and the lack of work in the rural areas:** The main guideline for solving this problem is to carry on extensive development along with intensive development, to continue exploiting the arable land potential, to gradually shift the labor structure based on creating non-agricultural jobs, to use and transfer labor-intensive and effective technology to the rural areas, and so on.

**The human strategy:** In this, particular attention must be given to creating a level starting field, guaranteeing the minimum standard of living, providing compulsory general education (including vocational education), providing a broad and humanitarian public health, and so on.

**Distributing and regulating incomes among the various strata of people:** This must be done mainly through using tax policies and investment policies to solve the social problems and invest in the rural areas.

**There must be a strategy to develop the regions, particularly the mountain areas, the tribal areas, the areas that frequently suffer from natural disasters and flooding, and so on.** Here, this refers mainly to policies of investing in the infrastructure (communications routes, signal and liaison, water conservancy, electricity, and so on) and special aid policies to transform those areas having the capabilities to become markets.

**Fostering democracy in the rural areas:** Based on building a law-governed state, attention must be given to the rational and progressive customs of the community (village rules, for example), the occupational associations and social organizations of the people must be expanded (forming front organizations), and so on.

**Way of life, culture, and social traditions and customs:** This includes two aspects: exploiting what is good and progressive and limiting and eliminating what is bad and outmoded and not allowing these things to develop into corrupted customs and social evils.

When weighing the above factors, it is essential to conduct real studies and surveys and determine the correlation between them in order to formulate a number of very basic standards such as counsel and social "safety valves." Unless these are controlled, they will lead to danger and social turmoil. For example, in developing a multi-faceted commodity economy that operates in accord with a market mechanism in the rural areas, it will be difficult to avoid gaps between rich and poor and social stratification. But if we see that the number of poor people is increasing too rapidly or that the gap between the rich and the poor is growing too wide, the state must promptly implement regulatory and interventionist policies in order to prevent that stratification from going beyond the allowed limits. Only in this way will the gap between rich and poor have a positive effect in promoting economic growth while still maintaining social safety.

Vietnam's rural areas are now undergoing change. The economic policies are exploiting the positive effects, although we must continue to revise and perfect these. At the same time, a number of social problems that must be solved are arising in the rural areas. In this situation, we have determined that from the very beginning, economic growth must be coordinated with social progress and fairness and that a society in which the people control state and social affairs, in which the people have an affection for each other, are cultured, obey the laws, and hate oppression and injustice, and in which everyone can pursue a prosperous, free, and happy life must gradually be created.

Coordinating economic policy with social policy is being carried on at various levels: at the macrocosmic level, in each specific policy, and in the process of implementing policies in the localities and at the bases. But the most important and decisive thing is implementing this at the macrocosmic level. Because only at the macrocosmic level can the most fundamental relationships, such as economic-social structure, investment policy, strategic priorities, and so on, be dealt with in a comprehensive and synchronized way. Coordinating economic policies with social policies at the macrocosmic level in the rural zones can be carried out based on the following guidelines:

Coordinating the strategic guidelines for all-round economic and social development in the rural areas (through the viewpoints in the program and resolutions of the party, such as the resolution of the Fifth Plenum of the CPV Central Committee, 7th Term).

Coordinating the overall plans and long-term plans to develop the rural area economy and society in all respects.



Coordinating things in formulating plans and balancing the annual budget, with priority given to allotting investment funds for the rural zones and for social policies.

Linking the economic development programs and plans for the coastal and mountain areas and the programs to plant the barren fields and afforest the denuded hills with the programs to create jobs and eliminate poverty, oppose social evils, and eliminate illiteracy and the population and family planning programs.

When coordinating economic plans and social plans at the macrocosmic level in the rural zones, attention must be given to the following points:

First, in formulating policies, the positive aspects of the market mechanism must be exploited. In this, an important problem is to encourage individual responsibility and exploit the talents of liberated individuals in order to expand production and strengthen the economy (create an internal motive force). At the same time, attention must be given to limiting the negative aspects of this mechanism through state and community regulation and to elevating the sense of responsibility of each person.

Second, the role of the state in handling this relationship must be clearly defined. In conditions in which we are developing a market economy, organizing commercial production is the responsibility of the economic subjects (households, family associations, enterprises, and so on). The state must create favorable conditions and a favorable legal environment so that the economic units can become self-supporting in commercial production activities. With respect to commercial production, the state must keep direct intervention in the activities of the economic subjects to a minimum. Conversely, with respect to social problems (particularly burning issues such as creating jobs, fighting poverty, and eliminating social evils), the state must strengthen its role as much as possible by implementing concrete policies and programs having targets, suitable investment, and specific objectives. These must be implemented through the state's management system. The major and basic social policies that are urgent must be turned into national programs.

Third, concerning the relationship between economic growth and social fairness and progress and the coordination between economic policies and social policies, things must be understood thoroughly and everything from understanding to action must be socialized at all echelons and in all the sectors, particularly in the organizations and among the cadres who formulate and implement policies. For example, attention must be given to the close connection between arranging the economic

structure and social structure in formulating the plans of the State Planning Commission, Ministry of Finance, and related sectors at the central echelon. (This is a problem about which we still have many shortcomings.)

Fourth, priority must be given to defining the problems. To do this, the rural situation within the overall environment of the country, which is undergoing great changes, must be examined. In this environment, the positive and negative factors and the various conflicts are being exposed. The next thing is to determine what things need to be given priority. Ordinarily, this will depend on the following basic signs: the seriousness and urgency of the problem, the scope and effect, the attention and participation of society and the community, special objectives (regions, difficult objectives that have suffered losses, and so on), the feasibility of the policies, and so on.

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